

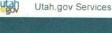
UTAH COUNTIES INDEMNITY POOL BOARD OF TRUSTEES MEETING

Thursday, April 20, 2017, 12:30 p.m.

UAC/UCIP Building, 5397 S Vine, Murray, Utah

12:30	Open Meeting, Pledge of Allegiance	Bret Millburn
ITEM	ACTION	
1	Welcome New Board Member/Introductions	Bret Millburn
2	Review/Excuse Board Members Absent	Bret Millburn
3	Review/Approve February 16, 2017 Meeting Minutes	Karla Johnson
4	Ratification/Approval of Payments and Credit Card Transactions	Karla Johnson
5	Review/Approve 2016 Actuarial Report	Johnnie Miller
6	Review/Approve 2016 Audited Financial Statements	Karla Johnson
7	Review/Approve First Quarter 2017 Financial Statements	Karla Johnson
8	Review/Approve Procurement Policy Amendments	Johnnie Miller
9	Review/Approve Written Minutes of Open Meetings Policy	Johnnie Miller
10	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bret Millburn
11	Action on Personnel Matters	Bret Millburn
12	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bret Millburn
13	Action on Litigation Matters	Dale Eyre
	INFORMATION	
14	AGRIP Governance Conference Report Kerry Gibso	n, Mark Whitney
15	Chief Executive Officer's Report	Johnnie Miller
16	Other Business	Bret Millburn

Electronic Meeting Notice: 888-447-7153, Participant Passcode: 2261240 Anchor Location: 5397 S Vine, Murray, UT



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Notice Added Successfully

Your notice has been created successfully.

Notice Title: Board of Trustees Meeting

Government Type: Interlocal

Entity: Utah Counties Indemnity Pool

Body Name: Board of Trustees

Notice Subject: Administrative Services

Notice Type: Meeting

Street Address: 5397 S Vine St

Street Address continued:

City: Murray

Zip: 84107-6757

Start Date: April 20, 2017 12:30 PM

End Date: April 20, 2017 03:30 PM

Deadline Date:

Description / Agenda: Open Meeting, Pledge of Allegiance

Welcome New Board Member/Introductions Review/Excuse Board Members Absent

Review/Approve February 16, 2017 Meeting Minutes

Ratification/Approval of Payments and Credit Card Transactions

Review/Approve 2016 Actuarial Report

Review/Approve 2016 Audited Financial Statements

Review/Approve First Quarter 2017 Financial Statements

Review/Approve Procurement Policy Amendments

Review/Approve Written Minutes of Open Meetings Policy

Set Date and Time for Closed Meeting to Discuss Character, Professional

Competence, Physical/Mental Health of an Individual

Action on Personnel Matters

Set Date and Time for Closed Meeting to Discuss Pending or Reasonably

Imminent Litigation

Action on Litigation Matters

AGRIP Governance Conference Report

Chief Executive Officer's Report

Other Business

ADA: In compliance with the Americans with Disabilities Act, individuals needing

special accommodations (including auxiliary communicative aids and

services) during this meeting should notify Sonya White at the Utah

Public Notice Website: Admin

Counties Indemnity Pool, 5397 S Vine, Murray, UT 84107, or call 800-339-

4070, at least three days prior to the meeting.

Electronic Participation: Any Member of the Utah Counties Indemnity Pool Board of Trustees may

participate telephonically.

Other:

Emergency Notice: No

Retroactive Notice: false

Send copy of notice to: legal@mediaone.com

Audio File Location:

Attachments: There are attachments associated with this notice.

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BOARD OF TRUSTEES' MEETING MINUTES

April 20, 2017, 12:30 p.m.

UAC/UCIP Building, 5397 S Vine, Murray, Utah

BOARD MEMBERS PRESENT Bret Millburn, Vice President, Davis County Commissioner

Karla Johnson, Secretary/Treasurer, Kane County Clerk/Auditor

Alma Adams, Iron County Commissioner

Deb Alexander, Davis County Human Resources Director

William Cox, Rich County Commissioner Dale Eyre, Sevier County Attorney

Victor Iverson, Washington County Commissioner

Jim Kaiserman, Wasatch County Surveyor Mike Wilkins, Uintah County Clerk/Auditor

BOARD MEMBERS ABSENT Bruce Adams, President, San Juan County Commissioner

Robert Decker, Millard County Sheriff Kerry Gibson, Weber County Commissioner Mark Whitney, Beaver County Commissioner

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer

Marky Stavenes, UCIP Company of the Company of th

Marty Stevens, UCIP Operations Specialist

Call to Order

Bret Millburn called the meeting of the Utah Counties Indemnity Pool's Board of Trustees to order at 12:30 p.m. on April 20, 2017 and welcomed UCIP's new Trustee, Deb Alexander to the Board; introductions were made.

Review/Excuse Board Members Absent

Mike Wilkins made a motion to excuse Bruce Adams, Robert Dekker, Kerry Gibson and Mark Whitney from this meeting. Victor Iverson seconded the motion, which passed unanimously.

Review/Approve February 16, 2017 Meeting Minutes

The draft minutes of the Board of Trustees meeting held February 16, 2017 were previously sent to the Board Members for review (see attachment number one). Karla Johnson made a motion to approve the February 16, 2017 Board of Trustees meeting minutes as written. Alma Adams seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Karla Johnson reported that she has reviewed the payments made, the payments to be made and the credit card transactions of the Pool as of February 17, 2017 through April 20, 2017 (see attachment number two). Mike Wilkins made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Jim Kaiserman seconded the motion, which passed unanimously.

Review/Approve 2016 Actuarial Report

Johnnie Miller provided the Board with some of the most pertinent pages of the draft actuarial reserve analysis for the Board's review (see attachment number three). Miller explained that the reserve analysis is necessary for the Pool to determine the amount of reserves that are adequate to pay all claims. The approved actuarial estimates will be used as the basis for the Loss and Loss Expense item in the financial statements.

Miller explained that page 32 shows how the actuaries came up with the incurred loss development factors. All claims prior to 2005 have been resolved so the actuary looks at all loss data from January 1, 2005 to December 31, 2016. At the year ending 2008, the total incurred (paid and reserves) was \$65,954. Those same 2008 claims in 24 months increased to \$103,304. In 36 months increased to \$144,175 and so on. These numbers are based on what is known about the claim at the end of each reporting year. The actuaries use this loss data to create the incurred losses 'triangle'. The next 'triangle', age-to-age factors, is the percent of change calculated between each time period. The percent of change is averaged several ways to determine the development factors. For known losses and incurred but not reported (IBNR) losses at the end of 2016, the actuaries determined that by the time the loss is completely paid and resolved, the Pool will have paid out 5.746 times of what the total incurred amount of losses at the end of 12 months. At the end of 24 months the factor decreases to 2.240. At 36 months the factor decreases to 1.898 and so on.

Miller explained that the actuaries use the same method to determine the paid loss development factors as shown on page 34. The actuaries use their expertise to determine what their selected ultimate loss will be within the Pool's self-insured retention (SIR) of \$250,000 as shown on page 38. Based on the current case reserves and IBNR reserves, the actuaries estimate the required reserves as of December 31, 2016 as shown on page 65. These exhibits are for general liability. The actuaries use the same process for the other lines of coverage. Page five is a comparison of last year's estimates to the current year's estimates to see the difference, which was a decrease of 2.6%.

Miller presented the actuarial findings, page three. The estimated loss reserves (limited to the SIR) are provided to the Pool showing the low, expected and high confidence levels. GASB rules require the 'expected' reserves be booked on the financial statement. The actuary provides a historical profitability analysis, page 68, which shows earnings of \$1,537,095 from 2001 to 2016. This is a great indicator showing the Board has done a great job of setting rates to only collect contribution amounts adequate to pay losses, protect members and operate the organization. Page 70 shows the historical loss ratios for all coverages with a total average of 1.037. For every \$1.00 collected in contribution, the Pool pays \$1.04, on average, per loss and expense. The minor operating loss and member equity has been developed from investment income.

Victor Iverson made a motion to approve actuarial report as presented and the Expected estimated Loss and ALAE Reserves level as recommended. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve 2016 Audited Financial Statements

Karla Johnson provided the Board with the draft audit of the 2016 financial statements (see attachment number four). Johnson reviewed the Management Discussion and Analysis, management's narrative overview and analysis of the financial activities of the Pool. Page seven explains the Operating Revenue and Expense in which the Pool experienced an increase in net position of \$654,376 from the prior year. Page eight, cash and cash equivalents, decreased \$1,535,859 attributed mainly due to a drop in contributions paid in advance. Investments increased \$482,958 in government securities and equity in County Reinsurance Limited. The financial position of the Pool increased \$1,480,702 from the prior year. Page 10, Statement of Net Position, shows the total assets and liabilities at \$13,358,151. Included in the total liabilities is the Total Net Position of the Pool at \$4,652,896, an increase of \$1,480,702 from the prior year. Page 16 of the notes to financial statements outlines the net asset management plan to assure that the Pool's assets are adequate without holding excessive net assets. As part of the net asset management plan the Board has created the rate stabilization fund of \$200,000 and the claims deterioration fund of \$430,000. Amounts designated in these funds are restricted from dividend calculations. The Board designated these funds to assure funds are available to keep rates stable from year to year and as protection if the "expected" claim reserves are ultimately found to be inadequate to pay all liabilities of the Pool.

The Audit Committee met with the Independent auditors today and it was reported that no internal control findings were noted in the prior year and no internal control findings noted for this period. There were no state compliance findings noted for the period. Mike Wilkins made a motion to approve the 2016 audited financial statements as presented with no internal control findings and an unqualified opinion. Alma Adams seconded the motion, which passed unanimously.

Review/Approve First Quarter 2017 Financial Statements

Karla Johnson provided the Board with Sonya White's in-house prepared, unaudited account balances arising from cash transactions and from accrual transactions as of March 31, 2017 (see attachment number five). The Statement of Net Position at the end of the first quarter shows total assets and liabilities of \$17,875,048. Liabilities include a net position of \$5,031,521, an increase of \$378,624 from the year ending 2016. The Statement of Revenues, Expenses and Changes in Net Position shows that with the year 25% complete, income is at 25% actual to budget and expenses 22% actual to budget. Losses and loss adjustment expenses are at 18%. Statement of Cash Flows shows the net cash used by operating actives for the first quarter were: \$3,740,370. Mike Wilkins made a motion to approve the first quarter financial statements as presented. William Cox seconded the motion which passed unanimously.

Review/Approve Procurement Policy Amendments

Johnnie Miller provided the Board with the Procurement (Purchasing) Policy that was last reviewed and revised August 2016 (see attachment number six). Miller explained that each policy of the Board is reviewed annually and the Purchasing Policy is on the Board's schedule to review at this meeting. Miller explained that most of the services the Pool purchases are professional services. The Pool's other purchases are mainly made through state purchasing contracts/contractors. Miller reviewed the current Purchasing Policy and has no recommendations for changes at this time. Mike Wilkins made a motion approving the review of the Procurement (Purchasing) Policy. Karla Johnson seconded the motion, which passed unanimously.

Review/Approve Written Minutes of Open Meetings Policy

Johnnie Miller provided the Board with a draft Written Minutes of Open Meetings—Public Records—Recording of Meetings Policy (see attachment number seven). Miller explained that management developed this policy for the Board's consideration pursuant to legislation recently created for public entities that are not a county, city or state (such as UCIP), outlining procedures for written minutes of open meetings, public records and recordings of meetings. Recordings of meetings can now be utilized as the official record of the Board meetings instead of written minutes. This policy was created for the Board to determine whether the recordings or the written minutes are the official record of their meetings. The draft policy indicates that the written minutes are the official record of the meeting. Statute also requires that the Board implement procedures for the written minutes and recordings of meetings, which have been outlined in the draft policy. Jim Kaiserman made a motion to approve the Written Minutes of Open Meetings—Public Records—Recording of Meetings Policy as presented. William Cox seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

William Cox made a motion to Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual on April 20, 2017 at 1:40 p.m. Mike Wilkins seconded the motion, which passed unanimously. Board Members participating in the closed meeting were: Alma Adams, Deb Alexander, William Cox, Dale Eyre, Victor Iverson, Karla Johnson, Jim Kaiserman, Bret Millburn, and Mike Wilkins. Also present was: Johnnie Miller.

The regular scheduled meeting resumed on April 20, 2017, at 1:50 p.m.

Action on Personnel Matters

William Cox made a motion strike agenda item: Action on Personnel Matters. Mike Wilkins seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Dale Eyre made a motion to strike agenda item: Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation. Deb Alexander seconded the motion, which passed unanimously.

Action on Litigation Matters

Dale Eyre made a motion to strike agenda item: Action on Litigation Matters. Deb Alexander seconded the motion, which passed unanimously.

AGRIP Governance Conference Report

Kerry Gibson and Mark Whitney attended the March AGRIP Governance Conference but were unable to provide a report at this meeting.

Chief Executive Officer's Report

Johnnie Miller reported that UCIP staff spent a great deal of time in the last couple of months working on and preparing to provide annual training to the member risk coordinators at their workshop the day prior to the Utah Association of Counties (UAC) Management Conference. The UCIP staff also spent a great deal of time working on the day of training at the UAC Management Conference. Three areas of training for the elected officials and their employees were provided: 1) Information Technology and Security; 2) Legal; and 3) Personnel. UCIP staff identified topics and presenters in each of these categories and facilitated the sessions. Miller felt the training went very well and, overall, the Conference was a success due to the cooperative efforts of the UAC and UCIP staff. UAC was shorthanded on staff so UCIP staff hauled all the materials for the Conference, set-up registration, helped check-in attendees, helped with requests of attendees and answered their questions, and made sure the breakout sessions were running smoothly. Miller explained that the training tracks are working great and there have been many requests for more training in many areas. Miller is working to keep current topics and quality content in the training sessions for the officials and employees.

Johnnie Miller explained that several months ago he disclosed to the Board that he was asked to work in his spare time as the Executive Director of the Foundation for Integrated Resource Management (FIRM), a non-profit created by several county commissioners through the Utah Association of Counties (UAC) to fight for and educate on responsible access to public lands. At the last meeting, some Board Members were concerned that FIRM was starting to be scrutinized by groups with different interests relating to public lands and asked Miller to provide updates on the activities of FIRM. Miller reported that when meeting with Utah's Public Lands Policy Coordinating Office (PLPCO), the entity that presented FIRM with the grant monies to operate, their direction for FIRM is to focus on educating the public and to quickly respond to misinformation about public lands. FIRM will assist PLPCO if legal action is taken but FIRM is not primarily a legal action based organization, which Miller hoped would make the Board more comfortable with Miller's role in assisting FIRM. Miller has found that some of the UCIP member commissioners haven't wanted to talk to the 'insurance guy' but now with his involvement with FIRM stronger relationships are being developed. Miller is careful to allocate his time accordingly and keep the two organizations separate. The Board directed Miller to continue to provide an update on FIRM at future Board meetings.

Other Business

The next meeting of the Board of Trustees will be held Thursday, June 15, 2017 at 12:30 p.m. at the UAC/UCIP Offices, 5397 S Vine, Murray, Utah.

Prepared by:	
	anullite
	Sonya White, UCLP Chief Financial Officer
Submitted on this	22 day of June 2017
Harl	alohron
	Karla Johnson, Secretary/Treasurer
Approved on this _	27 day of June 2017
	But Hill
,	Bret Millburn, Vice-President

PAYMENTS AND CREDIT CARD TRANSACTIONS

February 17 - April 24, 2017

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
	10010100 ZionsHRA				
02/28/2017	Expense			Service Fee	-20.50
04/24/2017	A CONTRACTOR OF THE PROPERTY O		Marty L. Stevens	HRA Reimbursable Expenses	-223.86
Total for 500-	000000-10010100 ZionsHRA	1			\$ -244.36
500-000000-1	10010100 ZionsMLC				
02/17/2017	Check	ACH	Box Elder County	Claim: BOX0000042017	-1,158.62
02/17/2017	Check	ACH	Durham Jones & Pinegar	Invoice: 553778	-2,124.05
02/17/2017	Check	ACH	Frontier Adjusters, Inc.	Invoice: T647969	-430.40
02/17/2017	Check	ACH	Frontier Adjusters, Inc.	Invoice: T647902	-289.00
02/17/2017	Check	ACH	Weber County	Claim: WEB0000412017	-261.70
02/17/2017	Check	ACH	Mylar Law, PC	Invoice: 20170020	-9,252.00
02/17/2017	Check	ACH	Goebel Anderson PC	Invoice: 1125	-3,732.50
02/17/2017	Check	ACH	Goebel Anderson PC	Invoice: 1126	-4,985.00
02/17/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37658	-5,544.50
02/17/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37659	-3,053.00
02/17/2017	Check	ACH	Davis County	Claim: DAV0000262017	-540.45
02/22/2017	Check	BILLPAY	Daggett County	Claim: DAG0000022017	-1,087.71
02/22/2017	Check	BILLPAY	Enterprise Rent-A-Car, Inc.	Invoice: IAG4709	-1,317.94
02/22/2017	Check	BILLPAY	Farmers Insurance	Invoice: 099SUB30069924931	-2,852.31
02/22/2017	Expense			VERIFICATION OF DEPOSIT	-20.00
				FEE VERIFICATION OF	
00/04/0047	Ol- I		Lauren A	DEPOSIT FEE ID: 053171141	
02/24/2017	(ACC 430 CO	ACH	Millard County	Claim: MIL0000092017	-2,282.45
02/24/2017		ACH	Duchesne County	Claim: DUC0000162017	-1,033.00
02/24/2017		ACH	Weber Human Services	Claim: WHS00000192017	-554.48
02/24/2017 02/24/2017		ACH	Mylar Law, PC	Invoice: 20170023	-10,322.00
02/24/2017		ACH	Mylar Law, PC	Invoice: 20170024	-6,053.38
02/24/2017		ACH	Mylar Law, PC	Invoice: 20170021	-2,424.50
02/24/2017		ACH	Stirba, PC	Invoice: 01003027	-559.50
02/24/2017		ACH	Stirba, PC	Invoice: 01017026	-1,783.75
02/28/2017		BILLPAY	· · · · · · · · · · · · · · · · · · ·	Invoice: C1323009443746	-3,000.00
02/28/2017			Emery County	Claim: EME0000122017	-4,900.40
03/03/2017			Uintah County	Claim: UIN0000092017	-1,286.47
03/03/2017		ACH	Suitter Axland	Invoice: 1288136	-4,105.50
03/03/2017		ACH ACH	Suitter Axland Suitter Axland	Invoice: 1288135	-6,989.00
03/03/2017		ACH	Suitter Axland	Invoice: 1287940	-195.00
03/03/2017		ACH		Invoice: 1288134	-573.22
03/03/2017		ACH	Suitter Axland	Invoice: 1288132	-52.50
03/03/2017		ACH	Suitter Axland Suitter Axland	Invoice: 1288131	-1,346.70
03/03/2017		ACH		Invoice: 1288130	-2,713.90
03/03/2017		ACH	Suitter Axland	Invoice: 1288129	-1,470.00
03/03/2017		ACH	Suitter Axland Hutton Law Associates, PC	Invoice: 1288128	-4,083.50
03/03/2017		ACH		Invoice: 00228	-5,873.09
00/00/2017	OTIGOR	AUT	Hutton Law Associates, PC	Invoice: 00227	-6,645.77

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
03/03/2017		ACH	Hutton Law Associates, PC	Invoice: 00226	-2,220.50
03/03/2017		ACH	Mylar Law, PC	Invoice: 20170025	-6,965.00
03/03/2017		ACH	Beaver County	Claim: BEA0000042017	-598.56
03/03/2017		ACH	Sevier County	Claim: SEV0000122017	-7,730.00
03/03/2017		ACH	Duchesne County	Claim: DUC0000172017	-3,849.66
03/03/2017		ACH	Duchesne County	Claim: DUC0000162017	-1,655.96
03/03/2017		ACH	Frontier Adjusters, Inc.	Invoice: T649715	-330.70
03/08/2017		BILLPAY	Zach Hood	Claim: WHS0000182017	-1,660.97
03/10/2017		ACH	Mylar Law, PC	Invoice: 20170026	-10,733.45
03/10/2017	Check	ACH	Strong & Hanni	Invoice: 164973	-1,088.00
03/10/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37662	-4,845.50
03/10/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37661	-11,801.00
03/10/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37663	-1,671.50
03/10/2017	Check	ACH	Weber County	Claim: WEB0000372017	-1,358.66
03/10/2017		ACH	Weber County	Claim: WEB0000432017	-1,675.81
03/10/2017		ACH	Box Elder County	Claim: BOX0000022017	-35,000.06
03/14/2017		BILLPAY	Iron County	Claim: IRO0001542015	-9,647.86
03/21/2017				SERVICE AND TRANSACTION FEES	-20.00
03/24/2017	Check	ACH	Goebel Anderson PC	Invoice: 1176	-1,785.00
03/24/2017		ACH	Goebel Anderson PC	Invoice: 1175	-350.00
03/24/2017	Check	ACH	Goebel Anderson PC	Invoice: 1174	-12,155.00
03/24/2017		ACH	Goebel Anderson PC	Invoice: 1173	-9,015.00
03/24/2017		ACH	Mylar Law, PC	Invoice: 20170032	-10,603.73
03/24/2017		ACH	Mylar Law, PC	Invoice: 20170035	-4,984.00
03/24/2017		ACH	Mylar Law, PC	Invoice: 20170036	-6,904.51
03/24/2017		ACH	Stirba, PC	Invoice: 01017027	-3,536.40
03/24/2017	Check	ACH	Stirba, PC	Invoice: 01003028	-2,356.05
03/24/2017	Check	ACH	Stirba, PC	Invoice: 01015010	-946.50
03/24/2017	Check	ACH	Beaver County	Claim: BEA0000032017	-2,480.90
03/24/2017	Check	ACH	Davis County	Claim: DAV0000282017	-4,652.32
03/24/2017	Check	ACH	Frontier Adjusters, Inc.	Invoice: T654152	-272.20
03/28/2017	Check	BILLPAY	Emery County	Claim: EME0000122017	-209.60
03/28/2017	Check	BILLPAY	Five County Association of Governments	Claim: FCA0000012017	-1,000.00
03/28/2017	Check	BILLPAY	Allstate Payment Center	Invoice: 0413366642FE3	-361.74
03/28/2017	Check	BILLPAY	Jason Toone	Claim: WEB0000382017	-2,325.19
03/28/2017	Check	BILLPAY	K&K Sanitation	UIN0000112017	-18,174.54
04/03/2017	Check	ACH	Box Elder County	Claim: BOX0000012017	-30,563.41
04/03/2017	Check	ACH	Mylar Law, PC	Invoice: 20170037	-11,116.24
04/03/2017	Check	ACH	Mylar Law, PC	Invoice: 20170038	-10,478.02
04/03/2017	Check	ACH	Durham Jones & Pinegar	Invoice: 558124	-1,213.50
04/03/2017	Check	ACH	Durham Jones & Pinegar	Invoice: 558122	-2,786.76
04/03/2017	Check	ACH	Durham Jones & Pinegar	Invoice: 558119	-772.50
04/05/2017	Check	BILLPAY	Bear River Mutual Insurance Company	Invoice: 0605836	-3,000.00
04/05/2017	Check	BILLPAY	Emery County	Claim: EME0000122017	-605.85
04/07/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37676	-4,698.50
04/07/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37675	-10,663.87
04/07/2017	Check	ACH	Dunn & Dunn, PC	Invoice: 37679	-2,601.00
04/07/2017	Check	ACH	Suitter Axland	Invoice: 1288227	-4,216.42

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
04/07/2017	Check	ACH	Suitter Axland	Invoice: 1288230	-903.58
04/07/2017	Check	ACH	Suitter Axland	Invoice: 1288233	-780.45
04/07/2017	Check	ACH	Suitter Axland	Invoice: 1288235	-2,901.21
04/07/2017	Check	ACH	Hutton Law Associates, PC	Invoice: 00232	-2,274.00
04/07/2017	Check	ACH	Hutton Law Associates, PC	Invoice: 00231	-3,960.00
04/07/2017	Check	ACH	Hutton Law Associates, PC	Invoice: 00230	-3,696.80
04/07/2017	Check	ACH	Mylar Law, PC	Invoice: 20170040	-4,568.00
04/07/2017	Check	ACH	Weber County	Claim: WEB0000412017	-1,135.96
04/11/2017	Check	BILLPAY	Ricky Ewell	Claim: EME0000132017	-1,909.21
04/20/2017	Check	ACH	Mylar Law, PC	Invoice: 20170042	-2,396.89
04/20/2017	Check	ACH	Mylar Law, PC	Invoice: 20170043	-11,714.00
04/20/2017	Check	ACH	Goebel Anderson PC	Invoice: 1233	-12,720.70
04/20/2017	Check	ACH	Goebel Anderson PC	Invoice: 1234	-8,622.50
04/20/2017	Check	ACH	Stirba, PC	Invoice: 01003029	-3,214.05
04/20/2017	Check	ACH	Stirba, PC	Invoice: 01017028	-11,801.75
04/20/2017	Check	ACH	Strong & Hanni	Invoice: 166857	-13,637.05
04/20/2017	Check	ACH	Strong & Hanni	Invoice: 166865	-4,957.44
04/20/2017	Check	ACH	XACT Data Discovery	Invoice: 4612705/4612905	-440.42
04/20/2017	Check	ACH	Davis County	Claim: DAV0000292017	-924.42
04/20/2017	Check	ACH	Duchesne County	Claim: DUC0000172017	-790.32
04/20/2017	Check	ACH	Duchesne County	Claim: DUC0000182017	-2,426.93
04/20/2017	Check	ACH	Weber County	Claim: WEB0000452017	-535.20
04/24/2017	Check	BILLPAY	Rock Jefferies	Claim: DAV0000272017	-2,039.84
04/24/2017	Check	BILLPAY	Allstate Payment Center	Invoice: 0447831330 F1H	-3,397.20
04/24/2017	Check	BILLPAY	Driggs, Bills & Day, P.C.	Claim: WEB0000192016	-35,000.00
Total for 500-	000000-10010100	0			\$ -509,327.15
		0			\$ -509,327.15
500-000000-1	0010100 ZionsMLE		County Reinsurance, Limited		
500-000000-1 02/17/2017	0010100 ZionsMLE Bill Payment (Check)	ACH	County Reinsurance, Limited Revco Leasing Company, LLC		-48,353.00
500-000000-1 02/17/2017	0010100 ZionsMLE Bill Payment (Check) Bill Payment (Check)		County Reinsurance, Limited Revco Leasing Company, LLC	SERVICE AND TRANSACTION	
500-000000- 02/17/2017 02/17/2017 02/21/2017	0010100 ZionsMLE Bill Payment (Check) Bill Payment (Check) Expense	ACH ACH	Revco Leasing Company, LLC	FEES	-48,353.00 -435.91 -111.41
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017	0010100 ZionsMLE Bill Payment (Check) Bill Payment (Check) Expense Check	ACH ACH BILLPAY	Revco Leasing Company, LLC Johnnie Miller		-48,353.00 -435.91 -111.41 -77.52
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017	0010100 ZionsMLE Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check)	ACH ACH BILLPAY BILLPAY	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen	FEES Expense Reimbursement	-48,353.00 -435.91 -111.41 -77.52 -89.60
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017	O010100 ZionsMLE Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check)	ACH ACH BILLPAY BILLPAY BILLPAY	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot	FEES Expense Reimbursement 35538769	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017	O010100 ZionsMLE Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check)	ACH ACH BILLPAY BILLPAY BILLPAY	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot Office Depot	FEES Expense Reimbursement	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48 -19.79
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017	O010100 ZionsMLE Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check)	ACH ACH BILLPAY BILLPAY BILLPAY	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot	FEES Expense Reimbursement 35538769 35538769 Pay Period: 02/16/2017-	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/24/2017 02/27/2017	O010100 ZionsMLE Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Payment	ACH ACH BILLPAY BILLPAY BILLPAY	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot Office Depot CRL	FEES Expense Reimbursement 35538769 35538769 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017-	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48 -19.79 136,682.01
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/24/2017 02/27/2017	Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Payment Payroll Check	ACH ACH BILLPAY BILLPAY BILLPAY BILLPAY	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot Office Depot CRL Johnnie R. Miller	FEES Expense Reimbursement 35538769 35538769 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017-	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48 -19.79 136,682.01 -4,995.51
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/24/2017 02/27/2017 02/27/2017	Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Payment Payroll Check Payroll Check	ACH ACH BILLPAY BILLPAY BILLPAY DD DD	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot Office Depot CRL Johnnie R. Miller Korby M. Siggard	FEES Expense Reimbursement 35538769 35538769 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017-	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48 -19.79 136,682.01 -4,995.51 -2,315.97
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/24/2017 02/27/2017 02/27/2017	Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Payment Payroll Check Payroll Check Payroll Check Payroll Check Payroll Check	ACH ACH BILLPAY BILLPAY BILLPAY DD DD DD DD	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot Office Depot CRL Johnnie R. Miller Korby M. Siggard Sonya J. White Marty L. Stevens	FEES Expense Reimbursement 35538769 35538769 Pay Period: 02/16/2017- 02/28/2017	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48 -19.79 136,682.01 -4,995.51 -2,315.97 -1,895.24 -1,476.44
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/24/2017 02/27/2017 02/27/2017 02/27/2017	Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Payment Payroll Check Payroll Check Payroll Check Payroll Check Check Check	ACH ACH BILLPAY BILLPAY BILLPAY DD DD DD DD ACH	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot Office Depot CRL Johnnie R. Miller Korby M. Siggard Sonya J. White Marty L. Stevens Kerry Gibson	FEES Expense Reimbursement 35538769 35538769 Pay Period: 02/16/2017-02/28/2017 Pay Period: 02/16/2017-02/28/2017 Pay Period: 02/16/2017-02/28/2017 Pay Period: 02/16/2017-02/28/2017 AGRIP Travel	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48 -19.79 136,682.01 -4,995.51 -2,315.97 -1,895.24 -1,476.44 -132.00
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/27/2017 02/27/2017 02/27/2017 02/27/2017	Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Payment Payroll Check Payroll Check Payroll Check Check Check Check	ACH ACH BILLPAY BILLPAY BILLPAY DD DD DD DD ACH ACH	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot Office Depot CRL Johnnie R. Miller Korby M. Siggard Sonya J. White Marty L. Stevens Kerry Gibson Mark Whitney	FEES Expense Reimbursement 35538769 35538769 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 AGRIP Travel AGRIP Airfare and Travel	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48 -19.79 136,682.01 -4,995.51 -2,315.97 -1,895.24 -1,476.44 -132.00 -796.40
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/27/2017 02/27/2017 02/27/2017 02/27/2017 02/27/2017 02/28/2017 02/28/2017 02/28/2017	Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Payment Payroll Check Payroll Check Payroll Check Check Check Check Check	ACH ACH BILLPAY BILLPAY BILLPAY DD DD DD DD ACH ACH ACH	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot Office Depot CRL Johnnie R. Miller Korby M. Siggard Sonya J. White Marty L. Stevens Kerry Gibson Mark Whitney Karla Johnson	FEES Expense Reimbursement 35538769 35538769 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 AGRIP Travel AGRIP Airfare and Travel Mileage Reimbursement	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48 -19.79 136,682.01 -4,995.51 -2,315.97 -1,895.24 -1,476.44 -132.00 -796.40 -330.48
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/24/2017 02/27/2017 02/27/2017 02/27/2017 02/27/2017 02/28/2017 02/28/2017 02/28/2017 02/28/2017	Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Payment Payroll Check Payroll Check Payroll Check Check Check Check Check Check	ACH ACH BILLPAY BILLPAY BILLPAY DD DD DD ACH ACH ACH ACH	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot Office Depot CRL Johnnie R. Miller Korby M. Siggard Sonya J. White Marty L. Stevens Kerry Gibson Mark Whitney Karla Johnson James Kaiserman	FEES Expense Reimbursement 35538769 35538769 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 AGRIP Travel AGRIP Airfare and Travel Mileage Reimbursement Mileage Reimbursement	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48 -19.79 136,682.01 -4,995.51 -2,315.97 -1,895.24 -1,476.44 -132.00 -796.40 -330.48 -51.84
500-000000- 02/17/2017 02/17/2017 02/21/2017 02/22/2017 02/22/2017 02/22/2017 02/22/2017 02/27/2017 02/27/2017 02/27/2017 02/27/2017 02/27/2017 02/28/2017 02/28/2017 02/28/2017	Bill Payment (Check) Bill Payment (Check) Expense Check Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Bill Payment (Check) Payment Payroll Check Payroll Check Payroll Check Check Check Check Check Check Check Check	ACH ACH BILLPAY BILLPAY BILLPAY DD DD DD DD ACH ACH ACH	Revco Leasing Company, LLC Johnnie Miller Bryan Johansen Office Depot Office Depot CRL Johnnie R. Miller Korby M. Siggard Sonya J. White Marty L. Stevens Kerry Gibson Mark Whitney Karla Johnson	FEES Expense Reimbursement 35538769 35538769 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 Pay Period: 02/16/2017- 02/28/2017 AGRIP Travel AGRIP Airfare and Travel Mileage Reimbursement	-48,353.00 -435.91 -111.41 -77.52 -89.60 -135.48 -19.79 136,682.01 -4,995.51 -2,315.97 -1,895.24 -1,476.44 -132.00 -796.40 -330.48

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
02/28/2017	Check	ACH	PEHP-LTD	Period: JAN2017	-190.33
02/28/2017	Bill Payment (Check)	ACH	Arthur J. Gallagher & Co.		-4,831.00
02/28/2017	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.		-1,649.91
02/28/2017	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.		-340.89
02/28/2017	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.		-1,022.16
02/28/2017	Check	17	Utah Retirement Systems	Confirmation: 02274560856	-7,462.27
02/28/2017	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,352.22
03/02/2017	Check	BILLPAY	Bruce Adams	Mileage Reimbursement	-324.00
03/02/2017	Check	BILLPAY	Mike Wilkins	Mileage Reimbursement	-187.92
03/02/2017	Check	BILLPAY	Bret Millburn	Mileage Reimbursement	-27.00
03/02/2017	Bill Payment (Check)	BILLPAY	Office Depot	35538769	-26.75
03/06/2017	Check	ACH	Johnnie Miller	Expense Reimbursement	-326.76
03/06/2017	Bill Payment (Check)	ACH	Les Olson Company		-140.92
03/06/2017	Bill Payment (Check)	ACH	Strong & Hanni		-2,081.71
03/06/2017	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.		-850.60
03/06/2017	Bill Payment (Check)	ACH	Don Green Photography, Inc.		-200.00
03/07/2017	Payment		CRL		58,985.38
03/07/2017	Payment		CRL		117,651.27
03/08/2017	Bill Payment (Check)	BILLPAY	Utah Chapter of PRIMA		-90.00
03/09/2017	Bill Payment (Check)	ONLINE	American Express	3-41009	-5,411.71
03/10/2017	Bill Payment (Check)	ACH	Larson & Company		-15,021.66
03/10/2017	Bill Payment (Check)	ACH	By The Numbers Actuarial Consulting, Inc.		-5,750.00
03/10/2017	Bill Payment (Check)	ACH	Carr Printing Co., Inc.		-815.00
03/10/2017	Bill Payment (Check)	ACH	Revco Leasing Company, LLC		-435.91
03/10/2017	Bill Payment (Check)	ACH	Utah Safety Council		-4,000.00
03/10/2017	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.		-234.00
03/10/2017	Bill Payment (Check)	ACH	End Point Corporation		-60.00
03/14/2017	Payroll Check	DD	Johnnie R. Miller	Pay Period: 03/01/2017- 03/15/2017	-4,995.52
03/14/2017	Payroll Check	DD	Korby M. Siggard	Pay Period: 03/01/2017- 03/15/2017	-2,315.97
03/14/2017	Payroll Check	DD	Sonya J. White	Pay Period: 03/01/2017- 03/15/2017	-1,914.10
03/14/2017	Payroll Check	DD	Marty L. Stevens	Pay Period: 03/01/2017- 03/15/2017	-1,815.59
03/15/2017	Bill Payment (Check)	BILLPAY	State of Utah		-31.93
03/21/2017	Expense			SERVICE AND TRANSACTION FEES	-180.15
03/23/2017	Bill Payment (Check)	ONLINE	State of UT Dept of Workforce Services		-978.00
03/29/2017	Check	ONLINE	UT State Tax Commission	Confirmation: 0-457-779-968	-42.38
03/30/2017	Payroll Check	DD	Marty L. Stevens	Pay Period: 03/16/2017- 03/31/2017	-1,975.80
03/30/2017	Payroll Check	DD	Korby M. Siggard	Pay Period: 03/16/2017- 03/31/2017	-2,315.97

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
03/30/2017	Payroll Check	DD	Johnnie R. Miller	Pay Period: 03/16/2017- 03/31/2017	-4,995.52
03/30/2017	Payroll Check	DD	Sonya J. White	Pay Period: 03/16/2017- 03/31/2017	-1,914.11
03/30/2017	Check	ONLINE	IRS	EFT ACKNOWLEDGEMENT NUMBER: 270748965595061 Overpaid/Underpaid 01/27/2017 Federal \$-70.23 Social \$757.94 Medicare \$-29.52	-658.29
03/30/2017	Check	ONLINE	Utah Retirement Systems	Confirmation: 033027557891	-7,656.60
03/31/2017	Check	ACH	Mark Whitney	AGRIP Mileage Request to/from Airport	-126.32
03/31/2017	Check	ACH	Kerry Gibson	AGRIP Travel Mileage \$48.36 (to/from airport) Airport Parking \$44.00 UBER in FL \$32.99 Personal Room Charge \$-49.08	-76.73
03/31/2017	Check	ACH	William Cox	Travel Expenses	-207.40
03/31/2017	Bill Payment (Check)	ACH	Durham Jones & Pinegar	Invoice: 558126	-1,071.00
03/31/2017	Bill Payment (Check)	ACH	Les Olson Company	Invoice: EA704687	-44.13
03/31/2017	Bill Payment (Check)	ACH	Strong & Hanni	Invoice: 166166	-1,328.00
03/31/2017	Check	ACH	PEHP-LTD	Agency: 1076	-196.62
03/31/2017	Check	ACH	Public Employees Health Program	Invoice: 0122042164	-5,598.77
03/31/2017	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,376.72
04/05/2017	Bill Payment (Check)	BILLPAY	Office Depot	Invoice: 915074327001	-200.44
04/07/2017	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.		-294.00
04/07/2017	Bill Payment (Check)	ACH	Larson & Company		-2,320.92
04/07/2017	Bill Payment (Check)	ONLINE	American Express	3-41009	-4,757.25
04/10/2017	Check	ACH	Johnnie R. Miller	Expense Reimbursement	-314.72
04/10/2017	Check	ACH	Korby M. Siggard	Expense Reimbursement	-322.00
04/10/2017	Check	ACH	Marty L. Stevens	Expense Reimbursement	-184.00
04/10/2017	Check	ACH	Sonya J. White	Expense Reimbursement	-184.00
04/10/2017	Bill Payment (Check)	ACH	Revco Leasing Company, LLC		-435.91
04/11/2017	Bill Payment (Check)	BILLPAY	Premier Engraving & Awards		-18.75
04/13/2017	Payroll Check	DD	Johnnie R. Miller	Pay Period: 04/01/2017- 04/15/2017	-4,995.52
04/13/2017	Payroll Check	DD	Marty L. Stevens	Pay Period: 04/01/2017- 04/15/2017	-1,648.36
04/13/2017	Payroll Check	DD	Korby M. Siggard	Pay Period: 04/01/2017- 04/15/2017	-2,315.98
04/13/2017	Payroll Check	DD	Sonya J. White	Pay Period: 04/01/2017- 04/15/2017	-1,914.11
04/19/2017	Bill Payment (Check)	23	Arthur J. Gallagher & Co.		-24,176.50
04/20/2017		ACH	Strong & Hanni		-208.00
04/20/2017	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.		-114.95
04/20/2017	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.		-28.75

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
04/24/2017	Bill Payment (Check)	BILLPAY	Flux Motion Studio		-1,300.00
04/24/2017	Bill Payment (Check)	BILLPAY	Office Depot	35538769	-20.56
04/24/2017	Bill Payment (Check)	BILLPAY	State of Utah Mail		-137.50
04/24/2017	Bill Payment (Check)	BILLPAY	Office Depot	35538769	-25.72
Total for 500-	000000-10010100 ZionsM	LE			\$103,240.99

Actuarial Consulting, Inc.

Mary Jean King, FCAS, CERA, MAAA SVP & Consulting Actuary 118 Warfield Road Cherry Hill, NJ 08034 P:856.428.5961 mking@bynac.com

UTAH COUNTIES INDEMNITY POOL

ACTUARIAL REPORT
Reserve Analysis as of 12/31/16

2/28/17

Table 15

GENERAL LIABILITY EXCLUDING LE AND EO

INCURRED LOSS DEVELOPMENT FACTORS (Unlimited Losses Including ALAE Gross of Recoveries)

A. INCURRED LOSSES

					Age of P	olicy Period in	Months				
Policy Period	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/05				519.502	556,177	556,177	691,404	691,404	691,404	691.404	004.40
1/1-12/31/06			52,353	28,123	28,123	28,122	28,123	28,123	28,122	28.122	691,404
1/1-12/31/07		294,082	353,015	354,373	364,427	389.427	409,334	409.334	409,334		28,122
1/1-12/31/08	65,954	103,304	144,175	149,943	200,793	182,187	182,187	182,187	182,187	409,335	
1/1-12/31/09	37,708	172,541	279,422	322,213	554,637	541,359	593,252	568,656	102,107		
1/1-12/31/10	117,333	340,233	401,218	934,659	1,019,904	1,195,109	1,200,020	300,030			
1/1-12/31/11	85,200	315,852	303,899	374,819	383,620	459,173	1,200,020				
1/1-12/31/12	175,759	664,677	733,440	855,449	950,449	400,170					
1/1-12/31/13	252,646	345,284	486,303	787,255	000,440						
1/1-12/31/14	155,767	133,755	98,756	, 200							
1/1-12/31/15	3,132	217,584	23,700								
1/1-12/31/16	68.235										

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to Ultimate
1/1-12/31/05				1.071	1.000	1.243	1.000	1.000	4.000		
1/1-12/31/06			0.537	1.000	1.000	1.000		1.000	1.000	1.000	
1/1-12/31/07		1.200	1.004	1.028	1.069		1.000	1.000	1.000	1.000	
1/1-12/31/08	1.566	1.396	1.040	1.339		1.051	1.000	1.000	1.000		
1/1-12/31/09	4.576	1.619	1.153		0.907	1.000	1.000	1.000			
1/1-12/31/10	2.900	1.179	2.330	1.721	0.976	1.096	0.959				
1/1-12/31/11	3.707	0.962		1.091	1.172	1.004					
1/1-12/31/12	3.782	1.103	1.233	1.023	1.197						
1/1-12/31/13	1.367		1.166	1.111							
1/1-12/31/13		1.408	1.619								
	0.859	0.738									
1/1-12/31/15	69.471										
Average	11.029	1.201	1.260	1.173	1.046	1.066	0.992	1.000	1,000	1.000	
Wtd Avg	2.567	1.182	1.382	1,147	1.078	1.073	0.987	1.000	1.000	1.000	
3 Yr Avg	23.899	1.083	1.339	1.075	1,115	1,033	0.986	1.000		1.000	
5 Yr Mid Avg	2.952	1.081	1,339	1.180	1.072	1.018	1.000	1.000	1.000		
GL [^]	1.875	1.265	1.315	1,135	1.075	1.075		4.040	4.005		
Prior	2.330	1.210	1.330	1.160	1.085		1.010	1.010	1,005	1.005	1.000
Selected	2.565	1.180	1.380			1.075	1.015	1.005	1.005	1.005	1.000
		1.100	1.300	1.145	1.090	1.075	1.010	1.005	1.005	1.005	1.000

C. INCURRED LOSS DEVELOPMENT FACTORS

12 to	24 to	36 to	48 to	60 to	72 to	84 to	96 to	108 to	120 to	132 to
Ultimate										
5.746	2.240	1.898	1.375	1.201	1.102	1.025	1.015	1.010	1.005	1.000

From Section B of Appendix E, Exhibit I.



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Table 17

GENERAL LIABILITY EXCLUDING LE AND EO

PAID LOSS DEVELOPMENT FACTORS

(Unlimited Losses Including ALAE Gross of Recoveries)

A. PAID LOSSES

Policy	12	24	36	48	60 60	olicy Period in 72	84	96	108	120	132
Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months
	Monare	Wienthio	WOTHING	WIGHTIS	Wortung	WOTHIS	MOTHE	WOTHERS	MOTITIS	WOTHIS	MOUTUIS
1/1-12/31/05				294,780	314,863	336,940	691,404	691,404	691,404	691,404	691,404
/1-12/31/06			27,786	28,124	28,124	28,122	28,123	28,123	28,122	28,122	28,12
/1-12/31/07		89,190	300,529	321,004	338,967	353,128	409,335	409,335	409,335	409,335	20,12
/1-12/31/08	28,304	28,305	59,161	110,204	182,187	182,187	182,187	182,187	182,187	.55,555	
/1-12/31/09	10,998	66,740	179,313	275,501	332,491	421,049	568,655	568,656			
/1-12/31/10	13,125	82,884	245,101	752,098	944,685	1,176,873	1,200,020	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
/1-12/31/11	32,625	53,241	108,426	271,904	320,863	433,733	,,200,020				
/1-12/31/12	56,308	216,311	548,347	699,229	790,913						
/1-12/31/13	21,121	178,471	307,421	694,987	,						
/1-12/31/14	46,351	58,755	59,908								
/1-12/31/15	1,602	15,442									
/1-12/31/16	8,235										
B. AGE-TO	D-AGE FACTO	RS									
Policy	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to
Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Ultimate
							-				
/1-12/31/05				1.068	1.070	2.052	1.000	1.000	1.000	1.000	
1-12/31/06			1.012	1.000	1.000	1.000	1.000	1.000	1,000	1.000	
1-12/31/07		3.370	1.068	1.056	1.042	1.159	1.000	1.000	1.000		
1-12/31/08	1.000	2.090	1.863	1.653	1.000	1.000	1.000	1.000			
/1-12/31/09	6.068	2.687	1.536	1.207	1.266	1.351	1.000				
/1-12/31/10	6.315	2.957	3.069	1.256	1.246	1.020					
/1-12/31/11	1.632	2.037	2.508	1.180	1.352						
1-12/31/12	3.842	2.535	1.275	1.131							
/1-12/31/13	8.450	1.723	2.261								
/1-12/31/14	1.268	1.020									
/1-12/31/15	9.639										
verage	4.777	2,302	1.824	1.194	1.139	1.264	1.000	1.000	1.000	1,000	
Vtd Avg	3,327	2.336	1.775	1.182	1.191	1.233	1.000	1,000	1.000	1,000	
Yr Avg	6.452	1.759	2.015	1.189	1.288	1.124	1.000	1.000	1.000	1,000	
Yr Mid Avg	4.641	2.098	2.102	1.214	1.185	1.060	1.000	1.000	1,000		
SL^	3.400	2.145	1.545	1.245	1.175	1.120	1.050	1.030	1.005	1,005	1,000
rior	3.775	2.445	1.675	1.200	1.160	1.135	1.050	1.010	1.005	1.005	1.000
elected	3.985	2.335	1.775	1.180	1.190	1.120	1.050	1.010	1.005	1.005	1.000
	0.000	2.000	1.775	1.100	1.130	1.120	1.030	1.010	1.003	1.003	1.000
C. PAID LO	OSS DEVELOP	PMENT FACTO	ORS								
	12 to	24 to	36 to	48 to	60 to	72 to	84 to	96 to	108 to	120 to	132 to
	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate

[^] From Section B of Appendix E, Exhibit II.

6.984

2.991

1.685

27.831



1.428

1.200

1.071

1.020

1.010

1.005

1.000

Table 21

GENERAL LIABILITY EXCLUDING LE AND EO

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

(Limited to Specific Retention)

A. SELECTED ULTIMATE LOSSES GROSS OF RECOVERIES

Policy Period	Incurred Loss Development Method	Loss Paid Loss Development Development		Paid Bornhuettter- Ferguson Method	Selected Estimated Ultimate Incurred Losses#
1/1-12/31/05	\$ 486,616	\$ 486,616	\$ 486,616	\$ 486,616	\$ 486,616
1/1-12/31/06	28,122	28,122	28,122	28,122	28,122
1/1-12/31/07	409,335	409,335	409,335	409,335	409,335
1/1-12/31/08	182,187	182,187	182,187	182,187	182,187
1/1-12/31/09	553,252	553,252	553,252	553,252	553,252
1/1-12/31/10	1,185,108	1,185,108	1,185,108	1,185,108	1,185,108
1/1-12/31/11	474,999	520,480	497,147	510,901	486,073
1/1-12/31/12	851,039	892,416	895,275	960,038	873,157
1/1-12/31/13	782,476	769,494	889,203	933,920	835,840
1/1-12/31/14	187,439	179,185	233,260	249,294	210,350
1/1-12/31/15	487,388	107,847	506,158	461,846	496,773
1/1-12/31/16	392,078	229,188	497,755	509,515	497,755 ^
Total	\$ 6,020,039	\$ 5,543,230	\$ 6,363,418	\$ 6,470,134	\$ 6,244,568

B. SELECTED ULTIMATE LOSSES NET OF RECOVERIES

Policy		Selected Estimated Ultimate Gross of Recoveries		Recoveries		Selected Estimated Ultimate Net of Recoveries	
1/1-12/31/05	\$	486,616	\$	438	\$	486,178	
1/1-12/31/06		28,122		0		28,122	
1/1-12/31/07		409,335		74		409,261	
1/1-12/31/08		182,187		0		182,187	
1/1-12/31/09		553,252		0		553,252	
1/1-12/31/10		1,185,108		0		1,185,108	
1/1-12/31/11		486,073		0		486,073	
1/1-12/31/12		873,157		0		873,157	
1/1-12/31/13		835,840		0		835,840	
1/1-12/31/14		210,350		0		210,350	
1/1-12/31/15		496,773		0		496,773	
1/1-12/31/16		497,755		0		497,755	
Total	\$	6,244,568	\$	512	\$	6,244,056	

[#] Selected the average of the incurred methods unless otherwise noted.



[^] Selected the incurred Bornhuetter-Ferguson method due to the immaturity of the period,

Table 43

UTAH COUNTIES INDEMNITY POOL

ALL COVERAGES

ESTIMATED REQUIRED RESERVES AS OF 12/31/16

(Limited to Specific Retentions) (Net of Recoveries)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/16	Paid Losses as of 12/31/16
1/1-12/31/05	\$ 2,526,117	\$ 2,526,117	\$ 2,526,117
1/1-12/31/06	2,410,764	2,410,764	2,410,764
1/1-12/31/07	2,586,868	2,583,379	2,568,384
1/1-12/31/08	3,204,919	3,204,919	3,204,919
1/1-12/31/09	2,948,087	2,931,774	2,904,912
1/1-12/31/10	3,464,030	3,432,091	3,335,446
1/1-12/31/11	2,991,435	2,839,721	2,614,670
1/1-12/31/12	3,523,566	3,175,379	3,004,813
1/1-12/31/13	3,168,931	2,628,845	2,386,497
1/1-12/31/14	3,564,915	2,515,598	1,830,277
1/1-12/31/15	2,781,306	1,617,538	1,017,125
1/1-12/31/16	3,273,064	1,575,302	832,886
Total	\$36,444,002	\$31,441,427	\$28,636,810

B. ESTIMATED REQUIRED RESERVES AS OF 12/31/16

Policy Period	Case Reserves as of 12/31/16	Estimated IBNR as of 12/31/16	Estimated Required Reserves as of 12/31/16	
1/1-12/31/05	\$ 0	\$ 0	\$ 0	
1/1-12/31/06	0	0	0	
1/1-12/31/07	14,995	3,489	18,484	
1/1-12/31/08	0	0	0	
1/1-12/31/09	26,862	16,313	43,175	
1/1-12/31/10	96,645	31,939	128,584	
1/1-12/31/11	225,051	151,714	376,765	
1/1-12/31/12	170,566	348,187	518,753	
1/1-12/31/13	242,348	540,086	782,434	
1/1-12/31/14	685,321	1,049,317	1,734,638	
1/1-12/31/15	600,413	1,163,768	1,764,181	
1/1-12/31/16	742,416	1,697,762	2,440,178	
Total	\$ 2,804,617	\$ 5,002,575	\$ 7,807,192	



COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR ACTUARIAL REPORT ALL COVERAGES

(Limited to Specific Retentions) (Net of Recoveries)

Policy Period	Current Analysis (Table 43 Section A)	4/25/16 Report (Table 44 Section B)	Change	Percent Change
1/1-12/31/05	\$ 2,526,117	\$ 2,526,117	\$ 0	0.0%
1/1-12/31/06	2,410,764	2,413,292	(2,528)	(0.1%)
1/1-12/31/07	2,586,868	2,594,413	(7,545)	(0.3%)
1/1-12/31/08	3,204,919	3,207,286	(2,367)	(0.1%)
1/1-12/31/09	2,948,087	2,947,227	860	0.0%
1/1-12/31/10	3,464,030	3,570,456	(106,426)	(3.0%)
1/1-12/31/11	2,991,435	2,951,868	39,567	1.3%
1/1-12/31/12	3,523,566	3,650,067	(126,501)	(3.5%)
1/1-12/31/13	3,168,931	3,514,880	(345,949)	(9.8%)
1/1-12/31/14	3,564,915	3,627,360	(62,445)	(1.7%)
1/1-12/31/15	2,781,306	3,065,561	(284,255)	(9.3%)
Total	\$33,170,938	\$34,068,527	(\$ 897,589)	(2.6%)



FINDINGS

The findings are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimated required reserves are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed herein.

ESTIMATED REQUIRED RESERVES

The required reserves shown in the following tables should be used for financial statement reporting as of that date. However, until all the claims that occurred on or before 12/31/16 are closed, the actual reserve need remains an estimate. While the experience of UCIP indicates that the required reserves will fall within the range established in this report, the possibility exists that extraordinary or unexpected circumstances could cause the actual reserve need to be less than or greater than the range. Therefore, the findings cannot be warranted or guaranteed.

ESTIMATED LOSS AND ALAE RESERVES INCLUDING IBNR FOR 1/1/05-12/31/16 AS OF 12/31/16 (Limited to Specific Retentions)

I ine of

	Business	Low	Expected	High
Undiscounted for Investment Income	GL AL	\$6,670,000 200,000	\$7,480,000 220,000	\$8,520,000 250,000
	Property Total	90,000 \$6,960,000	\$7,810,000	\$8,900,000
Discounted at 1.0% per Annum	GL AL Property	\$6,510,000 200,000 90,000	\$7,300,000 220,000 110,000	\$8,320,000 250,000 130,000
	Total	\$6,800,000	\$7,630,000	\$8,700,000



Table 45

UTAH COUNTIES INDEMNITY POOL

ALL COVERAGES

HISTORICAL PROFITABILITY ANALYSIS

A. ESTIMATED UNDERWRITING INCOME

Policy Period	Premium*	Operating Expenses*	Funds Available for Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
1/1-12/31/01	\$ 3,222,871	\$ 1,489,185	\$ 1,733,686	\$ 1,715,000 <	\$ 18,686
1/1-12/31/02	3,505,736	1,644,953	1,860,783	1,850,000 <	10,783
1/1-12/31/03	3,930,854	2,042,668	1,888,186	2,418,838 <	(530,652)
1/1-12/31/04	4,194,644	2,048,851	2,145,793	2,662,597 <	(516,804)
1/1-12/31/05	4,217,591	2,046,257 #	2,171,334	2,526,117	(354,783)
1/1-12/31/06	4,195,406	2,058,540 #	2,136,866	2,410,764	(273,898)
1/1-12/31/07	4,676,898	2,426,559 #	2,250,339	2,586,868	(336,529)
1/1-12/31/08	5,146,934	2,145,715	3,001,219	3,204,919	(203,700)
1/1-12/31/09	5,573,525 ^	2,012,633 ^	3,560,892	2,948,087	612,805
1/1-12/31/10	5,710,286	2,444,578	3,265,708	3,464,030	(198,322)
1/1-12/31/11	5,922,572	2,401,787	3,520,785	2,991,435	529,350
1/1-12/31/12	6,282,067	2,625,921	3,656,146	3,523,566	132,580
1/1-12/31/13	5,085,489	2,679,532	2,405,957	3,168,931	(762,974)
1/1-12/31/14	4,590,930	2,400,993	2,189,937	3,564,915	(1,374,978)
1/1-12/31/15	5,150,384	2,551,287	2,599,097	2,781,306	(182,209)
1/1-12/31/16	5,829,233 ~	2,480,823 ~	3,348,410	3,273,064	75,346
Total	\$77,235,420	\$35,500,282	\$41,735,138	\$45,090,437	(\$3,355,299)

B. ESTIMATED FUND BALANCE

Policy Period	Estimated Underwriting Income	Interest & Other Income*	Estimated Net Income	Dividends	Estimated Net Income After Dividends
1/1-12/31/01	\$ 18,686	\$ 434,407	\$ 453,093		\$ 453,093
1/1-12/31/02	10,783	237,750	248,533		248,533
1/1-12/31/03	(530,652)	223,149	(307,503)		(307,503)
1/1-12/31/04	(516,804)	230,501	(286,303)		(286,303)
1/1-12/31/05	(354,783)	400,393	45,610		45,610
1/1-12/31/06	(273,898)	618,976	345,078		345,078
1/1-12/31/07	(336,529)	554,819	218,290		218,290
1/1-12/31/08	(203,700)	(42,271)	(245,971)		(245,971)
1/1-12/31/09	612,805	176,378 ^	789,183		789,183
1/1-12/31/10	(198,322)	302,702	104,380		104,380
1/1-12/31/11	529,350	520,411	1,049,761		1,049,761
1/1-12/31/12	132,580	437,299	569,879		569,879
1/1-12/31/13	(762,974)	(16,887)	(779,861)	\$ 91,828	(871,689)
1/1-12/31/14	(1,374,978)	560,974	(814,004)		(814,004)
1/1-12/31/15	(182,209)	229,670	47,461		47,461
1/1-12/31/16	75,346	115,951 ~	191,297		191,297
Total	(\$3,355,299)	\$4,984,222	\$1,628,923	\$ 91,828	\$1,537,095

- * From the audited financial statements.
- < From Section A of Table 47 of the 4/25/16 actuarial report.
- # Split administrative expenses 19% workers compensation and 81% multi-line at UCIP's request.
- ^ Split workers compensation and multi-line based on estimates provided by UCIP.
- ~ Estimated by UCIP.



Table 46

ALL COVERAGES

LOSS RATIOS

(Limited to Specific Retentions) (Net of Recoveries)

Policy Period	Paid Loss Ratio as of 12/31/16	Incurred Loss Ratio as of 12/31/16	Estimated Ultimate Incurred Loss Ratio	Permissible Loss Ratio (Funds Available/ Premium)	Combined Ratio [(Losses+ Expenses)/ Premium]
1/1-12/31/05	0.599	0.599	0.599	0.515	1.084
1/1-12/31/06	0.575	0.575	0.575	0.509	1.065
1/1-12/31/07	0.549	0.552	0.553	0.481	1,072
1/1-12/31/08	0.623	0.623	0.623	0.583	1.040
1/1-12/31/09	0.521	0.526	0.529	0.639	0.890
1/1-12/31/10	0.584	0.601	0.607	0.572	1.035
1/1-12/31/11	0.441	0.479	0.505	0.594	0.911
1/1-12/31/12	0.478	0.505	0.561	0.582	0.979
1/1-12/31/13	0.469	0.517	0.623	0.473	1.150
1/1-12/31/14	0.399	0.548	0.777	0.477	1,299
1/1-12/31/15	0.197	0.314	0.540	0.505	1.035
1/1-12/31/16	0.143	0.270	0.561	0.574	0.987
Total			0.584	0.547	1.037



<i>f</i> .			

Utah Counties Indemnity Pool

FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT, REQUIRED SUPPLEMENTARY INFORMATION AND OTHER INDEPENDENT AUDITOR'S REPORTS For the Year Ended December 31, 2016





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Independent Auditor's Report

The Board of Directors
Utah Counties Indemnity Pool

We have audited the accompanying financial statements of **Utah Counties Indemnity Pool** as of and for the year ended December 31, 2016, and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of **Utah Counties Indemnity Pool** as of December 31, 2016, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5-9, the reconciliation of the claims liability and loss and loss adjustment expenses on page 29, the contributions and loss development information on page 31, the schedule of the proportionate share of the net pension liability on page 32, and the schedule of contributions on page 33 be presented to supplement the basic financial statements.



Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2017, on our consideration of the Pool's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Salt Lake City, Utah April 20, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2016

In conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, the management of the Utah Counties Indemnity Pool (the Pool or UCIP) presents this Management's Discussion and Analysis for the readers of UCIP's financial statements. Our intent is to provide a narrative overview and analysis of the financial activities of UCIP for the fiscal year ended December 31, 2016. Readers are encouraged to consider this information in conjunction with the financial statements, notes to the financial statements and required supplementary information included in the independent auditor's report.

FINANCIAL STATEMENTS PROVIDED

Included in the independent auditor's report are the basic financial statements required under the GASB standards including:

- Statement of Net Position Accounts for all assets, deferred outflows or resources, liabilities and deferred inflows of resources of UCIP as of December 31, 2016, showing the balance of net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) as of that date.
- Statement of Revenues, Expenses, and Changes in Net Position Accounts for all revenue and expenses accrued for the fiscal period, with calculation of the change in net position (revenue minus expenses) for the period. Expenses are classified as Operating Expenses (primarily consisting of expected losses to be paid and the cost of excess insurance covering catastrophic losses) and Administrative Expenses (primarily consisting of staff salaries and benefits and office operations). Expenses are further categorized to provide a level of detail appropriate for general management overview and control.
- Statement of Cash Flows Accounts for all revenues and expenses received or paid during the fiscal period with a calculation of net increase in cash and cash equivalents (revenue minus expenses) and total cash and cash equivalents at the end of the period. This statement provides a contrasting view of the revenues and expenses from the Statement of Revenues, Expenses, and Changes in Net Position as it accounts for revenues and expenses that were actually received or paid during the period, regardless of when the revenue was earned or due, or when the expense was accrued or invoiced.

BASIS OF ACCOUNTING METHODS

Financial statements provided in this report are reported using the Governmental Accounting Standards Board (GASB) basis of accounting. Traditional insurance companies often utilize statutory accounting methods in development of their financial statements that differ significantly from GASB accounting methods. Attempts to perform simple comparisons or benchmark analysis of a commercial carrier's financial reports and the financial reports contained here will likely yield distorted results.

CONDENSED FINANCIAL INFORMATION

The following Condensed Financial Statements are meant to provide a summary view of the audited financial statements as support for comments and analysis of the financial condition of UCIP offered by management in this letter.

Management's Discussion and Analysis (Unaudited) Year Ended December 31, 2016

Assets and Liabilities

Current and other assets decreased \$1,306,286 at year end 2016 compared to the prior year end while investments increased \$247,044 for the same period. Capital assets decreased \$2,832 as a result of depreciation. Deferred outflows of resources in the amount of \$155,055 in the year 2016 and \$75,814 in prior year 2015 are reflected for the first time as a result of the implementation of GASB 68. Deferred outflows related to pensions increased \$79,241. Total assets decreased \$993,622 at year end 2016.

Total liabilities at year end 2016 decreased \$2,474,324 over year end 2015. This decrease was primarily the result of a \$2,285,242 decrease in member contributions paid in advance. Noncurrent liabilities in the year 2016 and 2015 are reflected for the first time as a result of the implementation of GASB 68, Accounting and Financial Reporting for Pensions. The new statement requires employers providing defined benefit pensions through pension plans administered as trusts, to recognize their long-term obligation for those benefits as a liability. The Pool provides a defined pension plan to certain employees through the Utah Retirement Systems (URS) and therefore, met the implementation criteria. As a result, the Pool has recorded a noncurrent liability of \$239,964 in 2016 and \$179,248 in 2015. Inflows related to pensions amounted to \$24,330 in 2016. Consistent with the statement requirements, the beginning balance has been recorded as a component of net position as there is inadequate information to restate the prior year.

In 2016 and 2015, net position increased by \$1,480,703 and increased by \$826,325, respectively, during the fiscal years.

The condensed statements of net assets for the years ended 2016 and 2015 are as follows:

	2016	2015	Net Change
Assets:			
Current and other assets	\$ 8,914,931	\$10,221,218	\$ (1,306,287)
Capital assets	538,896	541,728	(2,832)
Investments	3,749,269	3,502,225	247,044
Security Deposit	-	10,788	(10,788)
Outflows related to pensions	155,055	75,814	79,241
Total assets	\$13,358,151	\$14,351,773	\$ (993,622)
Liabilities:			
Current and other liabilities	\$ 550,970	\$ 2,791,704	\$ (2,240,734)
Reserve for losses and loss adjustment	7,889,991	8,185,675	(295,684)
Noncurrent liabilities	239,964	179,248	60,716
Inflows related to pensions	24,330	22,952	1,378
Total liabilities	8,705,255	11,179,579	(2,474,324)
Net position:			
Invested in capital assets	538,896	541,728	(2,832)
Unrestricted	4,114,000	2,630,466	1,483,534
Total net position	4,652,896	3,172,194	1,480,703
Total liabilities and net position	\$13,358,151	\$14,351,773	\$ (993,621)

Management's Discussion and Analysis (Unaudited) Year Ended December 31, 2016

Operating Revenue and Expense

Revenue from contributions increased \$678,849 for a total of \$5,829,233 in 2016. This increase is attributed to an increase in member exposures. Other income decreased \$19,318 primarily from the depreciation of capital assets. Operating expenses increased \$163,239 from the prior year due to an increase in loss and loss adjustment expenses.

The condensed statements of operating revenue and expense for the years ended 2016 and 2015 are as follows:

	2016	2015	Ne	et Change
Operating revenue:				
Contributions	\$ 5,829,233	\$ 5,150,384	\$	678,849
Investment income	350,831	199,586		151,245
Other income	15,576	34,894		(19,318)
Total operating revenues	6,195,640	5,384,864		810,776
Operating expenses:				
Loss and loss adjustment expenses	2,221,206	2,001,894		219,312
Reinsurance coverage	1,596,268	1,595,540		728
Administration	899,494	956,295	W	(56,801)
Total operating expenses	4,716,968	4,553,729		163,239
Net operating income	1,478,672	831,135		647,537
Unrealized loss on investments	2,029	(4,810)		6,839
Change in net position	\$ 1,480,701	\$ 826,325		654,376

Investments

As a governmental subdivision regulated by the Money Management Council, UCIP invests the majority of funds in the Public Treasurers' Investment Fund (PTIF). Utilizing this "safe harbor" for compliance with the Money Management Act also provides UCIP significant liquidity and protection of capital in its invested assets. In 2011, UCIP moved \$2,000,000 of invested funds to Zions Capital Advisors in anticipation of increasing investment rates. While investments with Zions Capital Advisors outperformed the PTIF by a small amount in 2016 and 2015, it is anticipated these investments will outpace the PTIF more significantly as the market strengthens.

Equity investments consist of equity ownership in County Reinsurance Limited (CRL), a property and liability reinsurance pool of county based pools across the United States. UCIP is a member of CRL.

Management's Discussion and Analysis (Unaudited) Year Ended December 31, 2016

The condensed statements of cash and cash equivalents and investments for the years ended 2016 and 2015 are as follows:

	2016	2015	Net Change
Cash and cash equivalents:			
Cash on deposit	\$ 2,067,027	\$ 891,207	\$ 1,175,820
Public Treasurers' Investment Fund	6,190,423	8,683,921	(2,493,498)
Zions Capital Advisors	36,261	254,440	(218,179)
Total cash and cash equivalents	8,293,711	9,829,569	(1,535,859)
Investments:	-		
Investments - U.S. government securities	2,086,198	1,838,236	247,962
Equity investment in County Reinsurance Limited	2,049,154	1,814,158	234,996
Land held for sale	4-6	-	-
Total investments	4,135,352	3,652,394	482,958
Total cash and cash equivalents and investments	\$12,429,063	\$13,481,963	\$ (1,052,901)

Financial Position

The Net Asset Management Plan was adopted by the Board to actively manage UCIP's net position between 100-200% of annual revenue. The plan provides that when net position exceeds 100% of annual revenue, the Board should issue dividends as experience dividends and/or equity dividends based on the UCIP Dividend Policy. Based on the 2017 member contributions of \$6,099,857, the surplus (net position) to contributions (revenue) ratio at year end 2016 was within industry standards.

The condensed statements of changes in net position for the years ended 2016 and 2015 are as follows:

	2016	2015	Net Change
Revenues and expenses:			
Revenues	\$ 6,197,669	\$ 5,380,054	\$ 817,615
Expenses	4,716,968	4,553,729	163,239
Net income (loss)	1,480,701	826,325	654,376
Net position, beginning of year	3,172,195	2,502,168	670,027
Prior period adjustment	-	(156,299)	156,299
Net position, beginning of year, as restated	3,172,195	2,345,869	826,326
Net position, end of year	\$ 4,652,896	\$ 3,172,194	\$ 1,480,702

BUDGET

Revenue

Actual 2016 revenues were \$316,764 more than budgeted due to investment income performance.

Management's Discussion and Analysis (Unaudited) Year Ended December 31, 2016

Losses and Reinsurance Expenses

Actual 2016 expenses were \$1,131,033 less than budgeted due primarily to a decrease in losses and loss adjustment expenses.

Administrative Expenses

Management closely monitored budgeted administrative expenses of \$1,048,000 and was able to operate with actual expenses of \$899,494. The savings on actual to budgeted expenses was achieved primarily in the area of office operations.

MARKET TRENDS IN 2017

Management anticipates continued competitive pressure due to protracted soft market conditions. To counteract this trend, management and the Board have worked to expand member services and strengthen its relationship with the Utah Association of Counties, which originally created UCIP.

Property

Changes in catastrophic loss models which significantly increased the modeled earthquake loss exposure for the entire state of Utah in 2011 were updated early in 2013 and again in 2015 with some reduction in the modeled earthquake exposure for portions of Utah, which may provide some relief on property reinsurance premiums from that budgeted for 2017.

Liability

While the overall market conditions are believed to remain competitive, signs of carriers increasing liability premiums continue into 2017. Most notably is the industry's move to exclude cyber liability risk from standard general liability and errors and omissions forms without a corresponding rate reduction, while selling this coverage as a new separate policy form for significant additional premium. Eventually, the liability market will increase premiums to improve their combined ratios to attract investors. This eventual "hardening" of the market will relieve some competitive pressure, but will also create increased reinsurance costs.

Questions concerning any of the information in this report, or any other matters related to UCIP's budget and finances should be addressed to the Chief Financial Officer, Utah Counties Indemnity Pool, 5397 S Vine, Murray, UT 84107.

Statement of Net Position As of December 31, 2016

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$	8,293,710
Short-term investments		386,083
Accounts receivable		75
Net pension asset		8
Prepaid expenses	_	235,055
TOTAL CURRENT ASSETS		8,914,931
INVESTMENTS		3,749,269
PROPERTY AND EQUIPMENT		538,896
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions		155,055
TOTAL ASSETS AND		
DEFERRED OUTFLOWS OF RESOURCES	\$	13,358,151
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Reserves for losses and loss adjustment expenses	\$	7,889,991
Accounts payable		27,259
Accrued expenses		89,555
Contributions paid in advance		434,156
TOTAL CURRENT LIABILITIES		8,440,961
NONCURRENT LIABILITIES		
Net pension liability		239,964
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions		24,330
NET POSITION		
Net investment in capital assets		538,896
Unrestricted		4,114,000
TOTAL NET POSITION		4,652,896
TOTAL LIABILITIES, DEFERRED INFLOWS		
OF RESOURCES AND NET POSITION	\$	13,358,151

Statement of Revenues, Expenses and Changes in Net Position For the Year Ended December 31, 2016

Investment income Other income TOTAL OPERATING INCOME UNDERWRITING EXPENSES Losses and loss adjustment expenses Reinsurance coverage TOTAL UNDERWRITING EXPENSES ADMINISTRATION EXPENSES	229,233 50,831 15,576 95,640 221,206 96,268 17,474
Other income TOTAL OPERATING INCOME UNDERWRITING EXPENSES Losses and loss adjustment expenses Reinsurance coverage TOTAL UNDERWRITING EXPENSES ADMINISTRATION EXPENSES	15,576 95,640 221,206 96,268
TOTAL OPERATING INCOME UNDERWRITING EXPENSES Losses and loss adjustment expenses Reinsurance coverage TOTAL UNDERWRITING EXPENSES ADMINISTRATION EXPENSES	95,640 21,206 96,268
UNDERWRITING EXPENSES Losses and loss adjustment expenses Reinsurance coverage TOTAL UNDERWRITING EXPENSES ADMINISTRATION EXPENSES 2,2: 1,5: 3,8	21,206
Losses and loss adjustment expenses Reinsurance coverage TOTAL UNDERWRITING EXPENSES ADMINISTRATION EXPENSES 2,2: 1,5: 3,8	96,268
Reinsurance coverage TOTAL UNDERWRITING EXPENSES ADMINISTRATION EXPENSES 1,59 3,8	96,268
TOTAL UNDERWRITING EXPENSES 3,8 ADMINISTRATION EXPENSES	
TOTAL UNDERWRITING EXPENSES 3,8 ADMINISTRATION EXPENSES	17.474
	17,474
11431003	43,788
Depreciation	3,763
	42,263
	11,306
	78,732
	20,144
	99,498
	99,494
TOTAL OPERATING EXPENSES 4,7	16,968
NET OPERATING INCOME 1,4'	78,672
OTHER INCOME EXPENSES	
Unrealized gain on marketable securities	2,029
TOTAL OTHER EXPENSES	2,029
CHANGE IN NET POSITION 1,45	80,701
NET POSITION AT BEGINNING OF YEAR 3,1	72,195
NET POSITION AT END OF YEAR \$ 4,6	

Statement of Cash Flows For the Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions collected	\$	3,546,803
Other fees collected		15,576
Reinsurance paid		(1,592,848)
Losses and loss expenses paid		(2,516,890)
Cash paid to employees		(597,368)
Other administrative expenses paid		(260,104)
CASH FLOWS FROM OPERATING ACTIVITIES		(1,404,831)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments		(2,846,683)
Sale of investments		2,600,000
Investment income		115,656
NET CASH FLOWS FROM INVESTING ACTIVITIES		(131,027)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(1,535,858)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		9,829,568
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$	8,293,710
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH		
Change in net position	\$	1,480,701
Adjustments to reconcile change in net position to		
Depreciation		3,763
Interest on investments		(115,833)
Increase in equity in CRL		(234,996)
Net outflows of resources relating to pension		(17,037)
Unrealized gain on investments		(2,029)
Accounts receivable		2,812
Prepaid expenses		3,420
Security deposits		10,788
Reserves for loss and loss adjustment expenses		(295,684)
Accounts payable		25,341
Accrued expenses		19,167
Contributions paid in advance	4	(2,285,242)
Total adjustments		(2,885,530)
NET CASH USED BY OPERATING ACTIVITIES	\$	(1,404,831)

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Utah Counties Indemnity Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. In January 2012, the Pool was renamed the Utah Counties Indemnity Pool. The Pool is a non-profit Interlocal entity formed under Section 11-13-101 et. seq. Utah Code Annotated, 1953 as amended, operated as a joint liability reserve fund under Section 63G-7-703 and 801 for counties who enter into the Interlocal Agreement that creates UCIP. The Pool is referred to as a: "public agency insurance mutual" under the insurance statutes of the State of Utah, Section 31A-1-103(7). All of the Pool's business activities are conducted in the State of Utah.

Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The Pool has adopted Governmental Accounting Standards Board (GASB) Statement No 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, GASB Statement No. 37, Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments: Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures. The Pool has also adopted GASB Statement No. 40, Deposit and Investment Risk Disclosures, GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions. With the implementation of these statements, the Pool has prepared required supplementary information titled "Management's Discussion and Analysis" which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net position as net invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, has adjusted the beginning net position to conform to the changes of GASB 68 related to pensions and related items, and provided additional schedules to better communicate the financial status of the governmental entity.

The accounting policies of the Pool conform to accounting principles generally accepted in the United States of America in all material respects. The following is a summary of the more significant policies.

Basis of Accounting

The Pool reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as accrued expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. Therefore, the investments in the Utah Public Treasurers' Fund (PTIF) and cash on deposit are considered to be cash equivalents.

Investments

Investments are comprised of various U.S. Government securities, certificates of deposit and investments in County Reinsurance Limited (CRL).

Investments in U.S. Government securities as of December 31, 2016 consist of held-to-maturity securities. Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the effective interest method over the period to maturity.

The investments in CRL are valued using the equity method of accounting. Under the equity method, the Pool recognizes its proportionate share of the net earnings or losses of CRL, which represents its share of the undistributed earnings or losses of CRL.

Investment Valuation

The Pool categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value:

• Level 1 inputs are quoted prices in active markets for identical assets;

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation (Continued)

- · Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

Contributions Paid in Advance

Contributions paid by members prior to January 1 of the next calendar year are considered to be deferred until January 1 and are reported as liabilities in the statement of net assets.

Ancillary Coverages

The Pool assists members in placing coverage for exposures not included in the coverage addendum, i.e., aircraft hull, airport liability, bonds, builder's risk, excess cyber liability, and workers compensation. The Pool does not receive any fees on monies collected for member coverage placement.

Contributions

Contributions are collected annually on January 1.

Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years. Depreciation expense for the year ended December 31, 2016 amounted to \$3,763.

Deferred Inflows/Outflows of Resources

A deferred inflow of resources is an acquisition of net assets by the Pool that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net assets by the Pool that is applicable to a future reporting period. Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources, and (b) liabilities and deferred inflows of resources.

Net Asset Management

To assure that the Pool's assets are adequate without holding excessive net assets, the Pool manages net asset levels between 100% and 200% of annual revenue. Net assets should be controlled within a minimum of 50% and a maximum of 250% of annual revenue. The Pool utilizes a Rate Stabilization Fund and a Dividend Plan to manage net assets.

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Management (Continued)

The Rate Stabilization Fund is utilized to designate surplus to fund unexpected increases in expenses, which necessitate increases in rates short term to allow rate increases to be made incrementally, or to negate temporary rate increases. The Rate Stabilization Fund is a Board-designated portion of unrestricted net assets to be deducted from the Total Net Assets (referred to as Unrestricted Net Position on the financial statements) when determining Net Assets available for payment of dividends to members and, as required by GASB, is reported as a designation only in the notes to the financial statements. The balance in the Rate Stabilization Fund at December 31, 2016 was \$200,000.

The Dividend Plan is utilized by the Board to return excess net assets to members.

The Net Asset Management Plan indicates net assets should not exceed 250% of contributions unless the Pool has specific needs for such surplus, which may include the following: expectation of new membership; development of a new line of coverage; development of new or expanded coverage; or development of new or expanded services.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount actuarially determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. The liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided.

The Pool's actuary provides a range of estimates of the reserves for losses and loss adjustment expenses at three levels of confidence: low (50% confidence), expected (66% confidence) and high (80% confidence). Accounting standards require the Pool to book the "expected" level of reserves on their financial statements, and does not allow for the Board to designate or delineate any other amount in the range on the financial statements. In consideration of their duty to protect public funds and the inability of the Pool to assess members if reserves are not adequate, the Board prefers to reserve for claims with greater confidence than the 66% "expected" level.

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reserves for Losses and Loss Adjustment Expenses (continued)

To accomplish this, while complying with audit standards, the Board has adopted as part of their Net Asset Management Plan a Claims Deterioration Fund, an amount voluntarily designated by the Board as Net Assets to be deducted from Total Net Assets (referred to as Unrestricted Net Position on the financial statements) when determining Net Assets available for payment of dividends to members. The balance in the Claims Deterioration Fund at December 31, 2016 was \$430,000.

In 2013, the Board approved designating \$430,000 into the Claim Deterioration Fund to assure these additional funds are available if the "expected" claim reserves are ultimately found to be inadequate to pay all liabilities of the Pool. The Board believes managing Net Assets in this manner protects members from large rate increases in the event claims experience does deteriorate.

Subsequent Events

Management of the Pool has evaluated subsequent events through April 20, 2017, which is also the date the financial statements were available to be issued. No subsequent events were noted during this evaluation that requires recognition or disclosure in these financial statements.

NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS

Listed below is a summary of the cash and investment portfolios as of December 31, 2016. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statutes including the State Money Management Act.

Cash and Cash Equivalents

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is \$2,067,027 as of December 31, 2016. The corresponding bank balance of the deposits was \$2,073,533 as of December 31, 2016.

All of the Pool's cash on deposit bank accounts are noninterest-bearing. All noninterest-bearing and other depositors' accounts will be aggregated and insured up to the standard maximum deposit insurance amount of \$250,000 for each deposit insurance ownership category.

The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund but the PTIF is subject to oversight by the State Money Management Council and all investments in PTIF are considered to be in compliance with the State Money Management Act.

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents (Continued)

The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years.

The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on an entity's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah.

Zions Capital Advisors (ZCA) is an investment advisory firm certified by the State Money Management Council and all investments with ZCA are in compliance with the State Money Management Act. The maximum final maturity of any security invested in by ZCA is limited to three years. ZCA investments are not insured or otherwise guaranteed.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Pool's bank balances exceeded FDIC coverage by \$1,823,533 as of December 31, 2016.

As of December 31, 2016, the Pool's cash and cash equivalents and investments included the following:

	2016
Cash on deposit	\$ 2,067,026
Public Treasurers' Investment Fund	6,190,423
Zions Capital Advisors	36,261
Total cash and cash equivalents	8,293,710
Investments - debt securities	2,086,198
Equity investment in County Reinsurance Limited	2,049,154
Total investments	4,135,352
Total cash and cash equivalents and investments	\$12,429,062

Investments

The Pool records its investments in U.S. Government Securities at market value. The Pool records investments with County Reinsurance Limited (CRL) using the equity method of accounting. Investments in CRL are confirmed annually.

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (continued)

All other investments are through the Public Treasurers' Investment Fund (PTIF). The differences between book value and fair value, as of December 31, 2016 are as follows:

	Cost	U :	Gross nrealized Gains	Un	Gross realized Losses	Fair Value	Statement Value
Securities	\$ 2,084,169	\$	10,887	\$	(8,858)	\$ 2,086,198	\$ 2,086,198
Equity	1,814,158		234,996			2,049,154	2,049,154
Total investments	\$ 3,898,327	\$	245,883	\$	(8,858)	\$ 4,135,352	\$ 4,135,352

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Pool's policy for managing interest rate risk is to comply with the State Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. The Pool manages its exposure to declines in fair value by investing in the Public Treasurers' Investment Fund (PTIF) and other securities and by adhering to the Act.

Following are the Pool's investments at December 31, 2016:

				Investment (in y	: Matu ears)	ırities
Investment Type		ying Amount l Fair Value	Le	ess than 1	(4	1-5
Debt securities:						
Corporate bonds	\$	889,734	\$	285,450	\$	604,284
Mortgage backed securities		1,196,464		100,633		1,095,831
Total debt securities		2,086,198	3	386,083		1,700,115
Other investments:						
CRL equity		2,049,154				
Total Other Investments		2,049,154				
Total investments	\$	4,135,352				

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Investments' fair value measurements are as follows at December 31, 2016:

	Total	Level 1	Level 2	Level 3
Asset class:				
Debt securities:				
Corporate bonds	\$ 889,733	\$ 889,733	\$ -	\$ -
Mortgage backed securities	1,196,464	1,196,464	8 -	-
Money market funds	36,261	-	36,261	-7
Public Treasurers' Investment Fund	6,190,423	-	6,190,423	-0
	_	A. 10		
Total	\$ 8,312,881	\$ 2,086,197	\$ 6,226,684	\$ -
	AND	A	7	

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Pool's policy for limiting the credit risk of investments is to comply with the State Money Management Act.

Investments are categorized into these three categories of credit risk:

Category One - Insured or registered, or securities held by the Pool or its agent in the Pool's name.

Category Two - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Pool's name.

Category Three - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, not in the Pool's name.

As of December 31, 2016, investments in debt securities in the amount of \$2,306,393 are considered to be Category Three securities. As of December 31, 2016, Public Treasurers' Investment Fund (PTIF) investments and equity investments in County Reinsurance Limited (CRL), in the total amount of \$8,239,577, are uncategorized investments.

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 3- INVESTMENT INCOME

Investment income is comprised of the following as of December 31, 2016:

Investment income:

Bonds	\$	27,753
Equity		234,996
Cash		87,502
Total investment income	\$	350,251
Cash received:	//==	
Cash	\$	87,502
Total cash received	i i	87,502
Noncash adjustments:		
Equity		234,996
Bonds		2,029
Change in accrued interest		20,555
Amortization		5,169
Total noncash adjustments		262,749
Total investment income	\$	350,251

NOTE 4- INTEREST RATE

The interest rate for assets held with the Utah Public Treasurers' Investment Fund (PTIF) was 1.1077 percent as of December 31, 2016.

NOTE 5- CAPITAL ASSETS

The capital assets and related accumulated depreciation of the Pool are as follows:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
Capital assets exempt from depreciation: Land	\$ 531,494	\$ -	\$ -	\$531,494
Total capital assets exempt from depreciation, net	531,494			531,494
Capital assets being depreciated: Office furniture and equipment	173,963	930		174,893_
Total capital assets, being depreciated	173,963	930		174,893
Less accumulated depreciation for: Office furniture and equipment	(163,729)	(3,762)		(167,491)
Total accumulated depreciation	(163,729)	(3,762)		(167,491)
Total capital assets being depreciated, net	10,234	(2,832)		7,402
Total capital assets, net	\$ 541,728	\$ (2,832)	\$ -	\$538,896

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 6- REINSURANCE

Effective 2003, the Pool has purchased only specific excess coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Estimated claims loss liabilities of the Pool are stated net of estimated losses applicable to reinsurance coverage ceded to other insurance companies of \$718,509 as of December 31, 2016. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

<u>Unsecured Reinsurance Recoverables</u>

There are no letters of credit, trust agreements or funds withheld on reinsurance recoverables. The amount of \$578,922, as of December 31, 2016, exceeds three percent of the Pool's surplus and is considered unsecured recoverables on known claims.

Reinsurance Recoverable in Dispute

As of December 31, 2016, the Pool does not have any disputed balances or uncollectible funds.

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 7- RETIREMENT PLANS

Pension Plan

Plan Description. Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees, beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds.

Utah Retirement Systems is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. Utah Retirement Systems issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E 200 S, Salt Lake City, UT 84102 or visiting the website: www.urs.org.

Benefits Provided. Utah Retirement Systems provides retirement, disability, and death benefits. Refinement benefits are as follows:

System	Final Average Salary	Years of Service Required	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

^{*} With actuarial reductions

^{**} All post-retirement cost of living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 7 - RETIREMENT PLANS (CONTINUED)

Pension Plan (continued)

Contributions. As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah Retirement Systems Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2016 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
111 - Local Governmental Division Tier 2	N/A	14.91	1.78
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47	N/A
Tier 2 DC Only		7	
211 Local Governments	N/A	6.69	10.00

Tier 2 rates include a staturoy requied contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans

For fiscal year ended December 31, 2016, the employer and employee contributions to the System were as follows:

Employer Contributions	Employee Contributions
\$64,862	N/A
5,402	0
\$70,264	\$0
	5,402

Contributions reported are the Utah Retirement Systems Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 7 - RETIREMENT PLANS (CONTINUED)

<u>Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred</u> Inflows of Resources Related to <u>Pensions</u>

At December 31, 2016, we reported a net pension asset of \$8 and a net pension liability of \$239,964.

	(Measurement Date): December 31, 2015					
	Net Pension	Net Pension	Proportionate	Prop	ortionate Share	Change
	Asset	Liability	Share	Dece	mber 31, 2014	(Decrease)
Noncontributory System	\$0	\$239,964	0.0424078%		0.0418020%	0.0011276%
Tier 2 Public Employees System	8	0	0.0037343%	1	0.0039098%	(0.0001755)%
	\$8	\$239,964	- 4			

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2016 we recognized pension expense of \$53,227.

At December 31, 2016 we reported deferred outflows of resources and deferred inflows of resources relating to pensions for the following sources:

	Deferred Outflows of	Deferred Inflows of
	Resources	Resources
Differences between expected and actual experience	\$0	\$10,902
Changes in assumptions	0	13,428
Net difference between projected and actual		
earnings on pension plan investments	81,247	0
Changes in proportion and differences between		
contributions and proportionate share of contributions	3,544	0
Contributions subsequent to the measurement date	70,264	0
	155,055	24,330

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 7 - RETIREMENT PLANS (CONTINUED)

<u>Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)</u>

The amount of \$70,264 was reported as deferred outflows of resources related to pensions results from contributions made by the Pool prior to fiscal year end, but subsequent to the measurement date of December 31, 2015.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows
Year Ended December 31,	(Inflows) of Resources
2016	\$13,788
2017	13,788
2018	14,024
2019	18,984
2020	(23)
Thereafter	(102)

Actuarial Assumptions. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.75 percent

Salary increases: 3.50-10.50 percent, average, including inflation

Investment rate of return: 7.50 percent, net of pension plan investment expense,

including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 7 - RETIREMENT PLANS (CONTINUED)

<u>Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)</u>

	Expected Return Arithmetic Basis					
			Long-term			
	Target Asset	Real Return	expected portfolio			
Asset Class	Allocation	Arithmetic Basis	real rate of return			
Equity securities	40%	7.06%	2.82%			
Debt securities	20%	0.80%	0.16%			
Real assets	13%	5.10%	0.66%			
Private equity	9%	11.30%	1.02%			
Absolute return	18%	3.15%	0.57%			
Cash and equivalents	0%	0.00%	0.00%			
Totals	100%		5.23%			
		Inflation	2.75%			
	Expected arithme	7.98%				

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75% and a real return of 4.75% that is net of investment expense.

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Utah Retirement Systems Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
System	(6.50%)	(7.50%)	(8.50%)
Noncontributory System	\$507,020	\$239,964	\$17,026
Tier 2 Public Employees System	1,495	(8)	(1,147)
Total	\$508,515	\$239,956	\$15,879

Notes to Financial Statements
For the Year Ended December 31, 2016

NOTE 7 - RETIREMENT PLANS (CONTINUED)

<u>Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Utah Retirement Systems financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued Utah Retirement Systems financial report.

The Pool participates in the 401(k) Defined Contribution Savings Plan with the Utah Retirement Systems.

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for the fiscal year ended December 31, was follows:

	2016	2015	2014
Employer Contributions	\$5,507	\$5,507	\$4,420
Employee Contributions	16,157	16,327	15,172

Defined Contribution 401(k) Plan

The Pool is required to contribute 1.78 percent of covered salary to the Noncontributory System Tier 2 Fund 401(k) plan (administered by the Utah State Retirement Systems). The total Tier 2 Fund retirement expense for the Pool for the years ending December 31, 2016, 2015 and 2014 was \$825, \$1,529 and \$345, respectively.

Employer Participating Retirement Plans

The Pool contributes an amount equal to the amount contributed by the employee into a 401(k) plan (administered by the Utah State Retirement Systems) and/or a 457 plan (administered by Nationwide Retirement Solutions), not to exceed five percent of the employee's eligible payroll. The total retirement expense for the Pool as of December 31, 2016, 2015, and 2014 was \$17,150, \$15,641 and \$14,722, respectively.

Notes to Financial Statements For the Year Ended December 31, 2016

NOTE 8- UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to covered events of prior years has decreased by \$295,683 in 2016 as a result of re-estimation of unpaid losses and loss adjustment expenses. This change is the result of ongoing analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims.

The unpaid claims, losses and loss adjustment expenses of the Pool as of December 31, 2016 are:

	2016
Beginning balance \$	8,185,675
Incurred loss:	
Current year	3,273,064
Prior years	(900,289)
Change in total incurred	2,372,775
Paid:	_
Current year	832,886
Prior years \$	1,835,572
Total paid	2,668,458
Balance at December 31 \$	7,889,992

NOTE 9- OPERATING LEASE COMMITMENT

On September 4, 2008, the Pool entered into a seven year commitment to lease office space. The lease commenced in February 2009 at which time the Pool occupied the premises. The Pool paid \$10,483 as of December 31, 2016. There are no future rental commitments for the building operating lease.

NOTE 10- CONTINGENCIES

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Ten-Year Claims Development Information

The following table illustrates how the Pool's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the past ten years. The rows of the table are defined as follows: (1) This line shows each fiscal year's net earned premiums, other operating revenues and interest income. (2) This line shows each year's other operating expenses including overhead and loss adjustment expenses not allocable to specific claims. (3) This line shows incurred losses and allocated loss adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred. (4) This section of ten rows shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of the successive years: this annual estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known. (6) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and show whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

Fiscal and Policy Year Ended (in Thousands of Dollars)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
(1) Earned premiums, other operating operating revenues and investment	NAMES DESCRIPTION	El la Seconda de	08/2/2/2019 Day				>	Ters Westper	All controls and the	NO 20000 - 00
revenues, net of reinsurance	12,433	16,116	6,952	4,662	5,064	5,141	3,538	3,717	3,789	4,584
(2) Unallocated expense	-	!= .(- "	-		-	-3	-	-
(3) Estimated incurred claims and expenses			B.d		100					
end of policy year:	2,810	2,772	2,881	2,876	3,129	3,619	3,152	3,666	3,066	3,273
(4) Net paid (cumulative) as of:										
End of policy year	1,332	1,302	1,126	584	995	347	586	1,344	894	-
One year later	2,296	2,076	1,246	932	1,542	1,538	1,377	1,549	-	=
Two years later	3,103	1,640	1,781	1,601	1,719	2,310	1,869	= 1	=	-
Three years later	2,202	2,249	2,142	2,500	2,153	2,637	-	2 0	-	-
Four years later	2,273	2,666	1,465	2,958	2,385		(=0	-	-	-
Five years later	2,366	2,908	3,654	3,256	£ 7 70.	6 7 7	-	-	-	-
Six years later	2,478	3,045	2,815	-	-	-	-	-	-	2
Seven years later	2,506	3,085		-	-	-	-	- 1	-	-
Eight years later	2,545	9 -	-	<u> </u>	-	-	-1	-	-	-
Nine years later	N -#	-	-	-	¥	X	-	-	-	-
(5) Reestimated net incurred	1									
claims and expenses:										
End of policy year	2,810	2,772	2,887	2,876	3,129	3,619	3,152	3,666	3,066	3,273
One year later	3,216	2,631	2,748	3,188	3,472	4,246	3,907	3,627	2,781	(7)
Two years later	2,978	2,704	2,902	3,113	3,193	3,837	3,515	3,565	3 <u>=</u> 3	12
Three years later	2,751	2,771	2,789	3,612	3,080	3,650	3,169	-		-
Four years later	2,524	3,142	3,164	3,714	2,952	3,524		<u></u>	-	5
Five years later	2,544	3,143	3,059	3,570	2,991	1 - 1	-	=	(<u>=</u>	1944
Six years later	2,620	3,180	2,947	3,464	=	(=)	-	-	S.	(=)
Seven years later	2,585	3,207	2,948	(<u>-</u>	=	_	-	<u>20</u>	-	-
Eight years later	2,594	3,205	(=)	-	-	-	-	-	-	-
Nine years later	2,587	7	-	-	-	-	-	7.	170	-
(6) Increase (decrease) in estimated	(222	122		500	(120:	(0.5)		(101:	(0.0.5	
net incurred claims and expenses from end of policy year	(223)	433	61	588	(138)	(95)	17	(101)	(285)	-

Schedule of the Proportionate Share of the Net Pension Liability

The proportionate share of the Net Pension Liability (Asset) of the Pool for year ending December 31, 2016 and 2015 respectively is as follows:

	2016		201:	5
		Tier 2 Public		Tier 2 Public
	Noncontributory	Employees	Noncontributory	Employees
	Retirement	Retirement	Retirement	Retirement
	System	System	System	System
Proportion of the net pension liability (asset)	0.0424078%	0.0037343%	0.0412802%	0.0039098%
Proportionate share of the net pension liability (asset)	\$239,964	(\$8)	\$179,248	(\$118)
Covered payroll	\$369,111	\$24,123	\$355,770	\$19,365
Proportionate share of the net pension liability (asset)		À		
as a percentage of its covered-employee payroll	65.01%	(0.03)%	50.40%	(0.60)%
Plan fiduciary net position as a percentage		100		
of its covered-employee payroll	87.80%	100.20%	90.20%	103.50%

^{*}In accordance with paragraph 81a of GASB Statement No. 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset). The Pool's 10-year schedule will be built prospectively. The schedule above is for the past two years.

Schedule of Contributions

The following presents the contributions as a percentage of covered-payroll for the Pool as of year ending December 31, 2016:

			Contributions in relation to the			Contributions as a percentage of
	As of Fiscal	Actuarial	contractually	Contribution	c 1	covered
	year ended December 31,	Determined Contributions	re quire d contribution	deficiency (excess)	payroll	
Noncontributory System	2014	\$63,601	\$63,601	\$0	355,770	
₹0 ±00	2015	68,175	68,175	0	369,111	18.47%
N ame	2016	64,862	64,862	0	351,175	18.47%
Tier 2 Public Employees System*	2014	2,893	2,893	0	19,365	14.94%
	2015	3,600	3,600	0	24,123	14.92%
	2016	5,402	5,402	0	36,228	14.91%

^{*} Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be difference than the board certified rate due to rounding and other administrative issues. The schedule above is for the past two years.

Notes to Required Supplementary Information

Changes in Assumptions

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption of all employee groups from 3.75% to 3.50%. Also, there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.50% to 3.25%. There was an improvement in the post retirement mortality assumption for female educators and minor adjustments to the preretirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

OTHER INDEPENDENT AUDITOR'S REPORTS





Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

The Board of Directors **Utah Counties Indemnity Pool**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pool, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements, and have issued our report thereon dated April 20, 2017

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pool's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pool's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pool's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.



The Board of Directors **Utah Counties Indemnity Pool** April 20, 2017 Page 2

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.





Independent Auditor's Report as Required by the State Compliance Audit Guide on Compliance with General State Compliance Requirements and Internal Controls over Compliance

The Board of Directors **Utah Counties Indemnity Pool**

Report on Compliance with General State Compliance Requirements

We have audited **Utah Counties Indemnity Pool's** compliance with the applicable general state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on **Utah Counties Indemnity Pool** for the year ended December 31, 2016.

General state compliance requirements were tested for the year ended December 31, 2016 in the following areas:

Budgetary Compliance Utah Retirement Systems Open and Public Meetings Act Treasurer's Bond Cash Management

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on **Utah Counties Indemnity Pool's** compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*.

Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on **Utah Counties Indemnity Pool**. An audit includes examining, on a test basis, evidence about the **Utah Counties Indemnity Pool** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements. However, our audit does not provide a legal determination of **Utah Counties Indemnity Pool's** compliance.



The Board of Directors **Utah Counties Indemnity Pool**April 20, 2017

Page 2

Opinion on General State Compliance Requirements

In our opinion, **Utah Counties Indemnity Pool**, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on **Utah Counties Indemnity Pool** for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance.

Report on Internal Control over Compliance

Management of **Utah Counties Indemnity Pool** is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Utah Counties Indemnity Pool's** internal control over compliance with the compliance requirements that could have a direct and material effect on **Utah Counties Indemnity Pool** to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of **Utah Counties Indemnity Pool's** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with general state or major state program compliance requirements that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Utah Counties Indemnity Pool

FINANCIAL STATEMENTS

Quarter Ending March 31, 2017

Utah Counties Indemnity Pool

First Quarter 2017 Financial Statements

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I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions and from accrual transactions of the Utah Counties Indemnity Pool as of March 31, 2017 to the basic financial statements.

Sonya White Chief Financial Officer 801-307-2113 sonya@ucip.utah.gov

Reviewed this	day of	, 2017	
Ву:			

UTAH COUNTIES INDEMNITY POOL STATEMENT of NET POSITION Quarter Ended March 31, 2017

	M	ar 31, 2017	De	ec 31, 2016	M	ar 31, 2016
ASSETS						
CURRENT ASSETS			•	0.000.510	Ф	10.005.405
Cash and cash equivalents	\$	12,068,096	\$	8,293,710	\$	10,865,425
Short-term investments		383,369		386,083		100,338
Accounts receivable		30		75		7,751 118
Net pension asset		8		225.055		955,446
Prepaid expenses		979,193		235,055 8,914,932	-	11,929,078
TOTAL CURRENT ASSETS		13,430,695		8,914,932		11,929,076
INVESTMENTS		3,751,235		3,749,269		3,711,103
PROPERTY AND EQUIPMENT		538,063		538,896		540,450
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions		155,055	×	155,055		75,814
TOTAL ACCETS AND						
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	17,875,048	\$	13,358,151	\$	16,256,445
DEI ERRED COTT LOWS OF TELEGORIOSS	=	17,070,000			112	
LIABILITIES AND NET POSITION						
CURRENT LIABILITIES						
Reserves for losses and loss adjustment expenses	\$	7,889,992	\$	7,889,992	\$	8,185,675
Accounts payable		24,177		27,259		104
Accrued expenses		90,172		89,555		76,406
Contributions paid in advance	_	4,574,893		434,156		4,371,703
TOTAL CURRENT LIABILITIES		12,579,233		8,440,961		12,633,888
NONCURRENT LIABILITIES						
Net pension liability		239,964		239,964		179,248
DEFERRED INFLOWS OF RESOURCES		24,330		24,330		22,952
Deferred inflows related to pensions		24,550		21,550		,
NET POSITION				***		540.450
Net investment in capital assets		538,063		538,896		540,450
Unrestricted	_	4,493,458	-	4,114,001		2,879,907
TOTAL NET POSITION	1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	5,031,521	-	4,652,897	_	3,420,357
TOTAL LIABILITIES, DEFERRED INFLOWS						
OF RESOURCES AND NET POSITION	\$	17,875,048	\$	13,358,151	\$	16,256,445

UTAH COUNTIES INDEMNITY POOL STATEMENTS of REVENUES, EXPENSES, and CHANGES in NET POSITION Quarter Ended March 31, 2017

ODED ATTIC PLOCE		Iar 31, 2017	Budget	Over Budget	% of Budget
OPERATING INCOME Contributions	•				
Investment income	\$	1,525,094	6,115,000	(4,589,906)	25%
Other income		36,487	75,000	(38,513)	49%
		269	7,000	(6,731)	4%
TOTAL OPERATING INCOME		1,561,850	6,197,000	(4,635,150)	25%
UNDERWRITING EXPENSES					
Losses and loss adjustment expenses		572,381	3,200,000	(2,580,997)	18%
Reinsurance coverage		397,792	1,648,000	(1,202,213)	24%
TOTAL UNDERWRITING EXPENSES	-	970,173	4,848,000	$\frac{(1,202,213)}{(3,783,210)}$	20%
A DA AD HOTTO A THOU THE PARTY				(-,,)	2070
ADMINISTRATION EXPENSES					
Trustees		6,838	55,000	(48,162)	12%
Depreciation		833	4,000	(3,167)	21%
Risk management Public relations		12,924	55,000	(42,076)	23%
		3,487	15,000	(11,513)	23%
Office		11,697	95,000	(83,303)	12%
Financial		21,843	85,000	(63,157)	26%
Personnel		158,374	675,000	(516,626)	23%
TOTAL ADMINISTRATION EXPENSES		215,996	984,000	(768,005)	22%
TOTAL OPERATING EXPENSES		1,186,169			
NET OPERATING INCOME		375,680			
OTHER INCOME EXPENSES					
Unrealized loss on marketable securities		2,944			
TOTAL OTHER EXPENSES	-	2,944			
CHANGE IN NET POSITION		378,624			
NET POSITION AT BEGINNING OF YEAR		4,652,897			
NET POSITION AT END OF QUARTER	\$	5,031,521			

UTAH COUNTIES INDEMNITY POOL STATEMENTS OF CASH FLOWS Quarter Ended March 31, 2017

		2017		2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Contributions collected	\$	5,665,876	\$	3,546,803
Other fees collected		269		15,576
Reinsurance paid		(1,141,930)		(1,592,848)
Losses and loss expenses paid		(572,381)		(2,516,889)
Cash paid to employees Other administrative expenses paid		(157,757)		(597,368)
• 0 • 000000		(53,707)	_	(260,104)
CASH FLOWS FROM OPERATING ACTIVITIES		3,740,370	_	(1,404,830)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments		(748)		(2 946 692)
Sale of investments		(746)		(2,846,683)
Investment income		24762		2,600,000
NET CASH FLOWS FROM INVESTING ACTIVITIES		34,763 34,015		115,656
NET CASIT FLOWS FROM INVESTING ACTIVITIES	_	34,015	-	(131,027)
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,774,385		(1,535,857)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		8,293,711		9,829,568
CASH AND CASH EQUIVALENTS AT END OF QUARTER	\$	12,068,096	\$	8,293,711
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH				
Change in net position	\$	378,624	\$	1,480,703
Adjustments to reconcile change in net position to				
Depreciation		833		3,763
Interest on investments		(36,487)		(115,835)
Increase in equity in CRL		-		(234,996)
Net outflows of resources relating to pension		()		(17,037)
Unrealized gain on investments		(2,944)		(2,029)
Accounts receivable		45		2,812
Member receivable		(744, 137)		=
Prepaid expenses		-		3,420
Security deposits				10,788
Reserves for loss and loss adjustment expenses		-		(295,683)
Accounts payable		3,082		25,341
Accrued expenses		617		19,167
Contributions paid in advance		4,140,737		(2,285,242)
Total adjustments		3,361,745		(2,885,531)
NET CASH USED BY OPERATING ACTIVITIES	\$	3,740,370	\$	(1,404,830)

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PURCHASING POLICY

Effective Date: August 18, 2016 Last Review Date: August 18, 2016 Last Revision Date: August 18, 2016

ARTICLE I - GENERAL PROVISIONS

- 1. The underlying purposes of this policy are:
 - a. To ensure fair and equitable treatment of all persons who wish to, or do conduct business with the Utah Counties Indemnity Pool (UCIP).
 - b. To provide for the greatest possible economy in UCIP's procurement activities.
 - c. To foster effective, broad-based competition within the free enterprise system to ensure that UCIP will receive the best possible services or products at the lowest possible prices.
- 2. Compliance Exemptions from this policy.
 - a. This policy shall not prevent UCIP from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.
 - b. When a procurement involves the expenditure of federal assistance funds, UCIP shall comply with applicable federal law and regulations.

3. Definitions.

- a. "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
- b. "Change order" means a written order signed by the purchasing agent, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the purchasing agent to order without the consent of the contractor or any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

- c. "Contract" means any agreement entered into by UCIP for the procurement or disposal of supplies, services, or construction, but shall not mean any policy of insurance, excess insurance or reinsurance, bond, surety or other risk financing instrument.
- d. "Invitation for bids" means all documents, whether attached or incorporated by reference, used for soliciting bids.
- e. "Person" means any business, individual, union, committee, club, other organization, or group of individuals.
- f. "Professional services" means labor, effort or work that requires an elevated degree of specialized knowledge and discretion, including accounting, architecture, construction and design management, engineering, financial services, information technology, insurance brokerage, legal, medical, or underwriting.
- g. "Procurement" means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.
- h. "Purchasing agent" means the Chief Executive Officer or other person duly authorized by the UCIP Board of Trustees to enter into and administer contracts and make written determinations with respect thereto.
- i. "Purchase description" means the words used in a solicitation to describe the supplies, services, or construction to be purchased, and includes specifications attached to or made a part of the solicitation.
- j. "Request for proposals" means all documents, whether attached or incorporated by reference, used for soliciting proposals.
- k. "Request for qualifications" means a document used to solicit information about the qualifications of a person interested in providing services including all other documents attached to that document or incorporated in that document by reference.

ARTICLE 2 - OFFICE OF THE PURCHASING AGENT

The UCIP Chief Executive Officer shall act in the capacity of Purchasing Agent. The Purchasing Agent shall be responsible to make procurements, solicit bids and proposals, enter into and administer contracts, and make written determinations under this policy. The Purchasing Agent may delegate purchasing authority to the CFO at their discretion.

ARTICLE 3 - SOURCE SELECTION AND CONTRACT FORMATION - GENERAL PROVISIONS

- 1. Purchases not requiring sealed bids.
 - a. Purchases costing less than \$5,000 in total shall not require bids of any type. (Purchases shall not be artificially divided so as to constitute a small purchase under this section.)
 - b. Purchases costing more than \$5,000 but less than \$10,000 in total, shall require at least 3 telephone bids.
 - c. Purchases made through the cooperative purchasing contracts administered by the State Division of Purchasing.
 - d. Purchases made from a single-source provider as determined by the Purchasing Agent.
 - e. Purchase of professional services.
 - f. Purchase of services if the Purchasing Agent opines in writing to the Board of Trustees that the services are of such a nature, or require being provided in such a nature, as to be best provided by a specific source.
 - g. Purchases required during an emergency, i.e., an eminent threat to the public's health, welfare, or safety. However, as much competition as practical should be obtained: and. Such purchases should be limited to amounts necessary to the resolution of the emergency.
- 2. Purchases requiring sealed bids.
 - a. Contracts shall be awarded by competitive sealed bidding except as otherwise provided by this policy.
 - b. An invitation for bids shall be issued when a contract is to be awarded by competitive sealed bidding. The invitation shall include a purchase description and all contractual terms and conditions applicable to the procurement. Public notice of the invitation for bids shall be given at least 30 days prior to the date set forth therein for the opening of bids. The notice may include publication in a newspaper of general circulation.
 - c. Any procurement by sealed bid in excess of \$10,000 shall require a legal notice in a local newspaper of general circulation.
 - d. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The amount of each

bid and any other relevant information, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.

- e. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids.
- f. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of UCIP or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the Purchasing Agent.
- g. The contract shall be awarded with reasonable promptness, by written notice, to the lowest bidder whose bid meets the requirements and criteria set forth in the invitation for bids.
- 3. Cancellation and rejection of bids.

An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interests of UCIP. The reasons shall be made part of the contract file.

4. Use of competitive sealed proposals in lieu of bids.

When the Purchasing Agent determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to UCIP, a contract may be entered into by competitive sealed proposals. Competitive sealed proposals are most appropriately used for professional service- type contracts.

- a. Proposals shall be solicited through a request for proposals. Public notice of the request for proposals shall be given at least 30 days prior to the advertised date of the opening of the proposals.
- b. Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. A register of proposals shall be prepared and shall be open for public inspection after contract award.
- c. The request for proposals shall state the relative importance of price and other evaluating factors.
- d. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be

permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors, except to the extent required by law.

- e. Award shall be made to the person whose proposal is determined, in writing, to be the most advantageous to UCIP, taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made.
- 5. Architect-Engineer services are qualification-based procurements, and may be solicited through a Request for Qualifications process. Requests for such services should be publicly announced. Contracts should be negotiated by UCIP based on demonstrated competence at fair and reasonable prices.
- 6. Broker services are qualification based procurements, and may be solicited through a Request for Qualifications process. Requests for such services should be publicly announced. Contracts should be negotiated by UCIP based on demonstrated competence at fair and reasonable prices.
- 7. Determination of non-responsiveness of bidder.

Determination of non-responsiveness of a bidder or offer or shall be made in writing. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsiveness may be grounds for a determination of non-responsiveness with respect to the bidder or offeror.

8. Cost-plus-a-percentage-of-cost contracts prohibited.

Subject to the limitations of this section, any type of contract which will promote the best interests of UCIP may be used, provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to UCIP than any other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.

- 9. Required contract clauses.
 - a. The unilateral right of UCIP to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.
 - b. Variations occurring between estimated quantities of work in a contract and actual quantities.

c. Suspension of work ordered by UCIP.

ARTICLE 4 - SPECIFICATIONS

All specifications shall seek to promote overall economy and best use for the purposes intended, and encourage competition in satisfying UCIP's needs, and shall not be unduly restrictive. Where practical and reasonable, and within the scope of this article and Utah law, Utah products shall be given preference.

ARTICLE 5 - APPEALS

- 1. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may appeal to the purchasing agent. An appeal shall be submitted in writing within 5 working days after the aggrieved person knows or should have known of the facts.
- 2. The purchasing agent shall promptly issue a written decision regarding any appeal, if it is not settled by a mutual agreement. The decision shall state the reasons for the action taken and inform the protestor, contractor, or prospective contractor of the right to appeal to the governing board.
- 3. The Board of Trustees of UCIP shall be the final appeal.

ARTICLE 6 - ETHICS IN PUBLIC CONTRACTING

- 1. No person involved in making procurement decisions may have personal investments in any business entity which will create a substantial conflict between their private interests and their public duties.
- 2. Any person involved in making procurement decisions is guilty of a felony if the person asks, receives, or offers to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization from any person or organization interested in selling to UCIP.

Utah Counties Indemnity Pool Written Minutes of Open Meetings—Public Records—Recording of Meetings Policy

Effective Date: April 20, 2017 Last Review Date: April 20, 2017 Last Revision Date: April 20, 2017

PART I – General Policy

1. Purpose

This policy outlines the procedures of the UCIP Board of Trustees related to the written minutes of open meetings, public records and recording of meetings.

2. General Policy

It is the policy of the UCIP Board of Trustees to comply with State law regarding written minutes of open meetings, public Records and recording of meetings.

- 3. Implementation of Procedures for Written Minutes and Recordings of Meetings
 - a. Within three business days after holding an open meeting, an audio recording of the open meeting will be available to the public for listening;
 - b. Pending minutes will be available to the public within a reasonable time after holding the open meeting that is the subject of the pending minutes;
 - c. Pending minutes will be submitted to the UCIP Board at their next meeting by the Secretary/Treasurer of the Board for changes, additions and approval by majority vote.
 - d. Minutes approved by the Board will be presented to the Chair of the Board for signature. Once approved by the Board and signed by the Chair of the Board, those minutes will be the official record of the open meeting that is the subject of the approved minutes; and
 - e. Within three business days after approving written minutes, the approved minutes will be available to the public, and will be placed on both the State Public Notice website, and the UCIP website.

AFFIDAVIT OF BRET MILLBURN

STATE OF U	<u>,</u>
COUNTY OF	SALT LAKE)
Bruce A	dams, being duly sworn upon oath, deposes and says:
1.	That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.
2.	That the Affiant, on or about the 20 day of April , 2017, presided over a meeting of
the Utah Counties	s Indemnity Pool Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52,
Utah Code Annot	ated, 1953, as amended.
3.	That a quorum of the Utah Counties Indemnity Pool Board of Trustees was present and at least two-thirds of
the members pres	ent, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as
amended, for the	purpose of discussing the character, professional competence, or physical or mental health of an individual.
4.	That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the
affiant does hereb	by affirm that the sole purpose for closing the meeting was to discuss the character, professional competence,
or physical or me	ntal health of an individual or individuals.
FURTH	ER, Affiant saith not.
DATED	this <u>20</u> day of <u>April</u> , 2017.
	7. Ent Kill
	BRET MILLBURN, Vice-President
	Utah Counties Indemnity Pool
On the	day of 2017, personally appeared before me Bret Millburn, who, after being by me
duly sworn, depo	sed and said that the information contained in the above and foregoing Affidavit is true and correct.
	Gonjawhite Novary Public
	My Commission Expires: 41818

SONYA JOAN WHITE Notary Public, State of Utah Commission # 676309 My Commission Expires April 18, 2018